

Reagan Presses for Contra Aid

Compiled by Our Staff From Dispatches

NEW YORK — President Ronald Reagan, staking out a tough position before the Iran-contra hearings begin in Congress, said Sunday that cutting off aid to the rebels in Nicaragua would be the Soviet Union's free hand in Central America and "one of their greatest foreign policy victories since World War II."

Mr. Reagan, speaking at the opening ceremonies of the American Newspaper Publisher's Association annual convention, said that when members of Congress vote on aid to the rebels, it might be the most important vote of 1987 and "possibly one of the most important cast in their careers in public office."

He warned that "delays and indecision here at home can only

cause unnecessary suffering in Nicaragua, shake the confidence of the emerging democracies in the region and endanger our own security."

Mr. Reagan's remarks appeared to be an effort to raise the stakes in the battle over aid for the Contras, who are trying to oust the leftist Sandinista government.

He made no mention of the hearings opening Tuesday on Capitol Hill on the secret sale of arms to Iran and the alleged diversion of profits to the Contras — a subject about which he has pleaded ignorance — or anything about the division within the Contra leadership.

Instead, Mr. Reagan turned up the pressure on Congress to approve aid to the rebels. After winning approval of \$100 million in aid last year, the administration is seeking \$105 million this year amid

signs that Congress has become increasingly skeptical about sending money to the Contras.

Arguing that the United States has had a bipartisan consensus on foreign policy for 40 years, Mr. Reagan said, "This is no time for either party to turn its back on that tradition or on the cause of freedom, especially when the threat to both is so close to home."

"The survival of democracy in our hemisphere requires a U.S. policy consistent with that bipartisan tradition," he said.

"I do not think there is anyone in Congress who wants to see another base for Soviet subversion, another Cuba established on American shores — yet that is what is happening right now," Mr. Reagan said.

In what White House officials

described as a change in tone, Mr. Reagan tied the Contras' cause to the restoration of democracy in Nicaragua and promised "full support" for any diplomatic efforts that achieve that end "without further bloodshed."

A senior administration official insisted that the speech had a heavy diplomatic focus and said "there has been a repositioning" of policy in view of a "subsequent change in Central America itself."

He said the Central American countries were taking the lead in diplomatic negotiations, and that one central theme held by nearly all involved is that "you can't have peace in Central America until you have democracy in Nicaragua."

Attempting to frame the Contra aid issue in broader terms and clarify U.S. intentions, Mr. Reagan said his support for the Contras is driven by a desire to see free elections in Nicaragua and not to overthrow the Sandinista government.

Administration officials said the emphasis on elections — a challenge issued before by the administration — reflected an attempt to refocus the Contra aid debate while holding to Mr. Reagan's fundamental policy in Central America.

"It explains the objectives of our policy," said one official. "Whether it satisfies those who object to that policy remains to be seen."

He asserted that, since the Sandinistas took control seven years ago, the United States had tried repeatedly to negotiate with them.

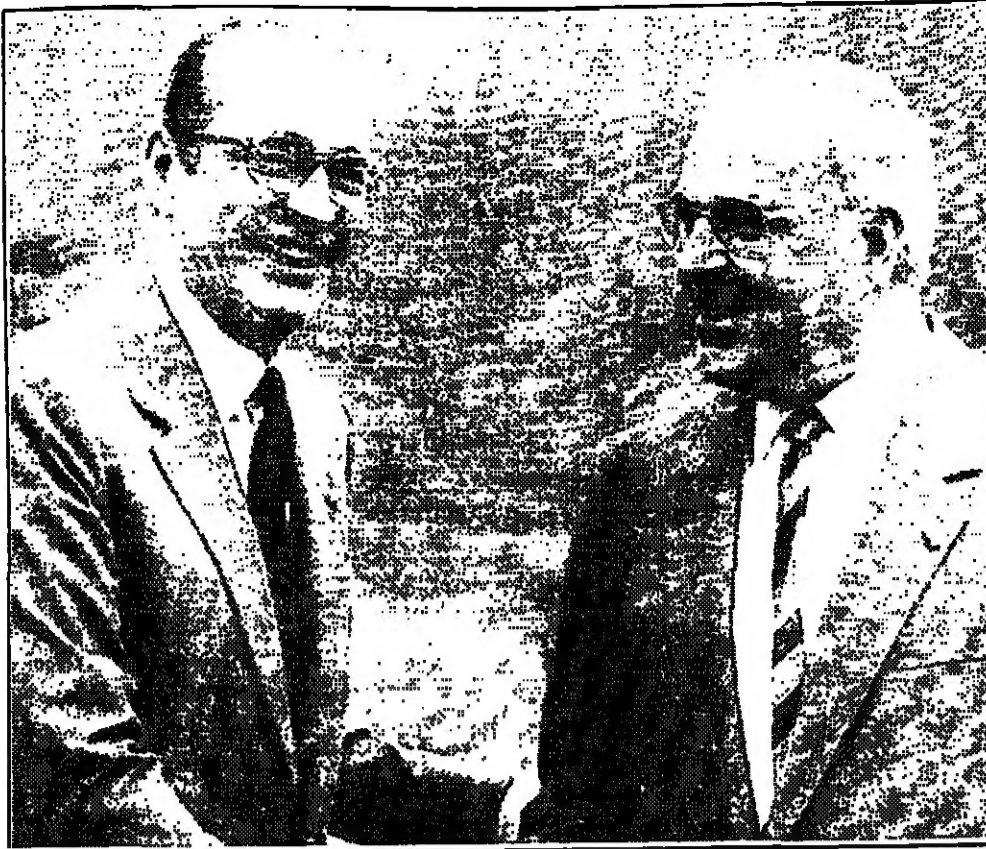
"But since those first negotiations back in 1979, in which the Sandinistas promised a democratic, pluralistic society, we've seen that these Marxist-Leninists never intended to honor those promises," he said.

Even so, Mr. Reagan said, "I will lend my full support to any negotiations that can build democracy throughout Central America without further bloodshed."

Expressing qualified support for a Costa Rican plan for a peaceful settlement in Nicaragua, Mr. Reagan said: "It is essential that any cease-fire be negotiated with the full range of the opposition. It is our profound hope that a Central American consensus can be reached soon, and that a process leading toward freedom in Nicaragua can go forward."

He said his administration's commitment to the Contras "will not change unless the regime in Nicaragua accedes to the democratic aspirations of the Nicaraguan people."

(AP, UPI)



The French prime minister, Jacques Chirac, left, with Chancellor Helmut Kohl of West Germany as they prepared Sunday for talks in Strasbourg on the Soviet missile offer.

Allied Delay On Arms

Kohl, Chirac Ask More Talks On Soviet Offer

Reuters

STRASBOURG, France — West Germany and France said Sunday that more talks with their European allies were needed before they could reach a position on the latest Soviet offer to reduce the number of nuclear missiles in Europe.

Chancellor Helmut Kohl, speaking after talks here with Prime Minister Jacques Chirac, said his government had yet to receive the text of the Soviet draft, which would require careful study.

Aides to the chancellor said that Mr. Kohl would address the parliament in Bonn on Thursday, but would still give only a preliminary reaction. The government is divided on the Soviet offer.

Both Mr. Kohl and Mr. Chirac said they would intensify efforts to find a common stand with other European allies, especially Britain. "There is a host of unanswered questions," Mr. Kohl said.

The French prime minister, who is scheduled to visit Moscow on May 14, said the French government had strong reservations about the recent Soviet proposal to eliminate short-range nuclear missiles from Europe.

Mr. Chirac and Mr. Kohl gave no timetable for reaching a European decision, but aides said it was clear they were thinking in terms of weeks rather than days.

The governing coalition in Bonn is badly split, with Foreign Minister Hans-Dietrich Genscher arguing that the West should accept the Soviet offer of a "double zero option" on Soviet and U.S. nuclear missiles.

This would involve scrapping all missiles with ranges of 300 to 600 miles (about 500 to 1,000 kilometers) within 12 months of an agreement to eliminate intermediate-range missiles — those with a range of 600 to 3,000 miles.

The West German defense minister, Manfred Wörner, and other influential Christian Democrats

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Iran-Contra Hearings: A Test Nears for President, Congress

By Dan Morgan and Walter Pincus
Washington Post Service

WASHINGTON — When Senator Daniel K. Inouye pounds his gavel Tuesday in the Senate Caucus Room to open what could be the most significant three months of televised congressional hearings since the Watergate scandal that toppled Richard M. Nixon, a new test will begin for President Ronald Reagan, his administration and Congress.

As in the Watergate hearings 14 years ago, the most publicized questions center on the president's knowledge and his actions.

Did Mr. Reagan know about the diversion of funds from secret sales of arms to Iran to the Nicaraguan rebels, known as Contras? Did he know about White House coordination of possibly illegal military aid to the Contras after Congress prohibited such assistance in 1984?

"The president knew much more than what the White House has intimated," Mr. Inouye said on a television interview program Sunday.

"When you add together all of the bits of information we have gathered over the months," he said, "one can reach that conclusion."

Another member of the House Select Committee, Senator Warren E. Rudman, Republican of New Hampshire, said on the same program: "The hearings are going to

show there is tremendous conflict that may never be resolved satisfactorily. Everyone will have to decide who is telling the truth."

The stakes for the president are enormous. Wounded by the loss of the 1986 elections, his political standing could collapse if it turns

A former U.S. envoy said he said the Contras on orders from Washington. Page 4.

out, after his many denials, that he knew of or approved illegal actions by his aides.

On the other hand, his administration could revive if the hearings only repeat what is already known.

Congress is also on trial. For four months, select committees of the Senate and House of Representatives have been investigating the affair. Unlike Watergate, it involves key national security institutions and some of the most sensitive foreign policy operations.

Top administration officials testified before Congress about White House support for the Contras, said Representative Lee H. Hamilton, Democrat of Indiana and chairman of the House select committee. And the president did not inform Congress for nine months of his authorization of secret arms sales to Iran.

Therefore, some congressional investigators have said, it now falls to them to examine questions less

obvious than where the money went; less obvious, but perhaps more profound in what they reveal about the Reagan administration.

Was what happened a matter of bad judgment, sloppiness and bad communication? Or did the president and a few trusted advisers operate in a calculated manner outside the law and their own regulations to carry out policies that circumvented Congress and internal administration critics?

Once the arms sales to Iran became public, did the president or his aides attempt to cover up their activities?

How the committees handle the first two witnesses could set the tone for much of what follows, investigators say.

Committee investigators want their first witness, Richard V. Secord, a retired air force major general, to describe for the first time the framework of the clandestine private network that carried arms to the Contras when direct U.S. military aid was prohibited.

They also expect him to provide new details on the sale of U.S. arms to Iran, including how the money was handled.

Mr. Secord may, however, have different plans, one source said. He may insist that he acted as a private businessman who was convinced that the Contra and Iran operations

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Canada Says 10 Nuclear Submarines Are Needed to Enforce Claim in Arctic

By John F. Burns
New York Times Service

TORONTO — The Canadian government has concluded that it needs as many as 10 nuclear-powered submarines to enforce its claim to sovereignty in Arctic waters.

These submarines, as envisioned, would not carry nuclear weapons, but would use nuclear engines. Such boats, unlike the older diesel-powered submarines, can operate for long periods at sea without refueling.

The proposal, if adopted, would make Canada the fourth member of the Western alliance to operate nuclear submarines, along with the United States, Britain and France. The Soviet Union and China are the only other nations known to have such vessels.

The need for sustained patrols in the Arctic has arisen in part because of a dispute with the United States, which has refused to concede that the Northwest Passage,

which snakes more than a thousand miles (1,600 kilometers) through Canada's Arctic islands, constitutes Canadian internal waters.

Washington has been reluctant to recognize the Canadian claim for fear that it would set a precedent for other countries and that a future Canadian government might bar passage to the U.S. Navy.

The Canadians say that another reason for the Arctic patrols is concern that Soviet nuclear submarines could pass beneath the ice to the Arctic waters off Canada before launching a missile attack on the United States.

The defense minister, Perrin Beatty, said in a telephone interview on Friday that no decision about the submarines could be announced until a military white paper is published in June.

But he said that of all the choices available, nuclear submarines appeared to be the "only solution" that would be effective in defend-

ing not only the Arctic waters, but Canada's Atlantic and Pacific coasts as well.

Canada, with one of the world's longest coastlines, now has only three diesel-powered submarines, which are confined to Atlantic waters.

"If there is going to be somebody's navy in the north it should be ours," Mr. Beatty said. He added that the submarines would be only defensive and would not carry missiles or any other kind of nuclear weapons.

He said that alternative methods of policing the Arctic, all of which had been rejected, included "doing nothing," mining crucial passages, setting an array of acoustic sensors and "asking our friends the Americans to come in and police our sovereignty for us."

"But the Americans don't accept our sovereignty, so asking them to do it wouldn't make much sense," he added.

Kiosk

Moscow Police

Halt Art Exhibit

MOSCOW (AP) — The police beat and arrested eight participants in an informal outdoor art exhibit here Sunday, friends of the artists reported.

One friend, Andrei Kravov, said the exhibit continued for about two and one-half hours before the police broke it up. The artwork, mostly landscapes and portraits, did not appear to have a political content.



Alysheba, who almost fell, won the Kentucky Derby race. Page 15.

GENERAL NEWS

■ In Iowa, some of the first big test of the 1988 presidential campaign, candidates are already hard at work. Page 4.

■ Kurt Waldheim, as UN secretary-general, favored the Arab side in the 1973 war, a former aide has charged. Page 5.

■ From Israeli Arab villages to refugee districts in the occupied Gaza Strip, Israel is seeing an Islamic revival. Page 2.

BUSINESS/FINANCE

■ The U.S. economy expanded in April, purchasing managers reported. Page 7.

■ Japanese financial institutions find themselves the target of protectionist fervor. Page 7.

Nakasone,

Reagan Hail

Trade Talks

Reuters

MAKENA, Hawaii — Prime Minister Yasuhiro Nakasone, en route back to Japan, said here this weekend that he was going "home satisfied" by the two days of trade talks with President Ronald Reagan and other top U.S. officials.

"Our talks were very fruitful," Mr. Nakasone said Saturday night. In Washington, Mr. Reagan said in his weekly radio broadcast, made Saturday during Mr. Nakasone's 11-hour flight to Hawaii, that "we are of one mind about avoiding protectionist steps on either side of the Pacific."

But, Mr. Reagan added, he hoped there would be evidence that would allow the United States to remove the 100 percent tariffs, amounting to \$300 million, on Japanese goods as soon as possible.

The White House chief of staff, Howard H. Baker Jr., said Sunday that Mr. Nakasone had made it clear during his visit that U.S. contractors would be able to do more bidding on projects in Japan.

On the television program "John McLaughlin: One on One," Mr. Baker said that the prime minister had assured Mr. Reagan that "competition for the right to build a new trans-Pacific telephone cable would be opened up."

"It was a good series of meetings," Mr. Baker said. "There is an honest and genuine effort on the part of the prime minister and the Japanese government to improve the economic relationship between the two countries and to reduce the size of the trade deficit. But they were pretty short of specifics."

While acknowledging that Congress might wish that more had come out of the talks, Mr. Baker said: "I think there's enough there that it will not excite and inflame protectionist sentiment in the Congress beyond what's already there. There's a lot there now."

The talks between Mr. Reagan and Mr. Nakasone centered on the stiff U.S. tariffs imposed last month on Japanese color television sets, power tools and personal computers.

Mr. Nakasone, who was to arrive in Japan on Monday, received Mr. Reagan's assurances that the president would avoid protectionist measures, but no date on which the tariffs would be lifted. Commerce Secretary Malcolm Baldrige said he

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PAPAL TRIP NEARS END — A tired Pope John Paul II at the start of Mass in Munich, where he beatified a German priest. The pope's visit Sunday to the Bavarian capital came on the fourth day of a five-day, 11-city trip to West Germany. Page 5.

Einstein Letters Reveal an Anguished Romance, Early Theories

By Walter Sullivan
New York Times Service

NEW YORK — The story of an anguished love affair between Albert Einstein and the woman who would later become his first wife has emerged in newly disclosed correspondence between them.

Many of the letters describe the love between the young scientist and his future wife, Mileva Marić, the pain associated with his mother's vehement disapproval of the relationship, and their excitement over the impending birth of a child.

The fate of the child, a girl, however, remains a mystery. She was born before the couple married in 1903 and there apparently is no record of what became of her.

Intertwined with the disclosures of a difficult romance are fragments of Einstein's thought as he struggled toward confidence in his concept of relativity.

The letters were discovered in efforts to find material for the first volume of "The Collected Papers of Albert Einstein," to be published May 22 by Princeton University Press. They are being published in their original German and in an English translation.

Einstein and Marić, a Serb born in a region of Hungary that is now part of

Yugoslavia, became friends in 1896 while studying together at the Federal Technical Institute in Zurich. In subsequent years they wrote frequently as Einstein's efforts to find work and Marić's visits home caused many separations.

In his letters, Einstein confided in her his efforts to participate in the revolution taking place in many fields of physics, including the nature of light, relative movement and molecular phenomena.

According to Dr. John Stachel, a professor of physics at Boston University who is editor of the Einstein papers, Marić appears to have been more of "a sounding board" than a contributor to Einstein's ideas.

In a letter to Marić in 1899, when he was 20 years old, Einstein anticipated his first theory of relativity, published six years later. It came in a period when many physicists still believed that space was filled with an invisible medium through which light waves could be propagated. They called the medium a "luminiferous ether."

Einstein's letters also reveal his family's disdain for Marić. In July 1900 he had been warned by his sister that his parents were bitterly opposed to him marrying Marić. When he told his mother of his intention,

"Mama threw herself on the bed, buried her head in the pillows, and cried like a child," he wrote to Marić.

"After she had recovered from the initial shock, she immediately switched to a desperate offensive," Einstein continued. He quoted his mother as saying, "You are ruining your future and blocking your path through life."

Although Einstein's family looked down on Marić's background, another problem was the couple's meager income. As Einstein wrote to a friend, "Neither of us two has gotten a job and we support ourselves by private lessons — when we can pick up some, which is still very questionable."

Interspersed among Einstein's repeated expressions of love were discussions of scientific questions with which both were concerned.

While visiting the Swiss town of Aarau "a good idea occurred to me," he wrote, "about a way of investigating how a body's relative motion with respect to the luminiferous ether affects the velocity of propagation of light in transparent bodies. Also a theory on this matter occurred to me, which seems to be highly probable."

He also was pondering "the definition of absolute rest," a paradox that led him to

his initial theory on relativity. The theory ruled out the possibility of absolute rest, since all objects are considered to be in motion relative to other objects. He also was contemplating the electrodynamics of moving bodies, which, he said, "promises to be a capital paper."

"I wrote to you that I doubted the correctness of the ideas about relative motion," he wrote. "But my doubts were based solely on a simple mathematical error. Now I believe in it more than ever."

Mr. Stachel, writing in the May issue of Physics Today, says this passage "suggests that Einstein had already adopted some version of the relativity principle," although not in its final form.

Although Marić has been depicted by historians as a dull woman, the letters show her interest in the nature of infinity.

"I do not believe the structure of the human brain is to be blamed for the fact that man cannot grasp infinity," she wrote to him in 1897, when he was 18 years old.

She continued: "He certainly could do that if in his young days, when he was learning to perceive, the little fellow had not been so cruelly confined to the earth, or even to a nest, between four walls, but

instead was allowed to walk out a little into the universe."

Science historians, such as Gerald Holton of Harvard University, regard Einstein's ability to "walk out into the universe" and think in pure abstractions as essential to his revolutionary discoveries. Particularly remarkable, Mr. Holton said in an interview, is the extent to which his interest in physics dominates the correspondence despite their personal difficulties.

"Most important for historians of science," he added, is the evidence that so early in his life Einstein "was already deeply thinking about the nature of light, relativity and molecular motion." This "all fell into place in a spectacular set of papers" published in 1905 and thereafter, he said.

Despite long periods of separation, Marić and Einstein occasionally managed to meet and hike the Swiss mountains. About the time of one of their excursions, in May 1901, she learned of her pregnancy.

The first letter in which Einstein mentioned this subject, however, began with discussion of a paper on the production of cathode rays by ultraviolet light. It then continued: "Just be of good cheer. Love,

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Arabs in Israel and Occupied Lands Turn Increasingly to Islam

By Thomas L. Friedman
New York Times Service

UMM AL-FAHIM, Israel — In this Israeli Arab village about an hour's drive north of central Tel Aviv, Israeli Moslem fundamentalists recently erected bus stops with separate seating areas for men and women.

Down the road a few miles, at Yuni's Restaurant, once a favorite Arab eatery and watering hole for Israeli Jews, Yuni recently stopped serving hard liquor and beer, in deference to the surge in Islamic fundamentalism in nearby Arab villages.

Perhaps it is the new style of soccer games that really leaves the visitor feeling at times that he is in Saudi Arabia, not Israel. In September, a group of observant Israeli Arab Moslems withdrew from the Jewish-run league and formed a 38-team soccer league representing Arab villages from across Israel.

When the call to prayer carries across the field from a nearby mosque, both teams stop, line up, face Mecca to the southeast and kneel. When prayers are over, play resumes.

From Israeli Arab villages in Galilee to the turbulent Palestinian universities in the Israeli-occupied West Bank to the teeming refugee districts of the occupied Gaza Strip, an Islamic revival is taking place among Moslems living under Israeli control.

The revival was inspired in part

by the Iranian revolution led by Ayatollah Ruhollah Khomeini. But it is also a home-grown movement of Palestinian Moslems seeking strength to confront Israel by returning to the Islamic identities that once brought them grandeur.

The movement is bringing some Israeli Arabs and some West Bank and Gaza Palestinians much closer together. Moslem associations are attracting many adherents among Palestinian youths and becoming a major challenge to the secular Palestine Liberation Organization.

Most important, the Islamic revival in Israel, coupled with the religious-nationalist upsurge among some Israeli Jews since the 1967 war, is beginning to transform the nature of the Arab-Israeli conflict. Israeli claims to a "Greater Israel" are increasingly met by demands for an "Islamic Palestine."

What this means for the already intractable Arab-Israeli conflict, said Eli Reikhes, a Tel Aviv University expert on Israeli Arabs, is that future "coexistence will be that much more difficult and the lines of differences between the two communities that much sharper."

About 600,000 Palestinian Arabs live in Israel and 1.3 million in the occupied territories; 92 percent are Sunni Moslems and 8 percent are Christians. There are virtually no Shiite Moslems, who predominate in Iran.

Although the Islamic revival is still a minority phenomenon

among these Palestinian Moslems, it touches deep chords in the wider, secular Moslem population. Its leaders have the credibility and potential power to exercise disproportionate influence.

Most Israeli Jews have no idea that in the seemingly sleepy hilltop Arab villages of Galilee, which they drive past on visits to kibbutzim, an Islamic fundamentalist movement has been building since 1967.

Before then, there was no advanced Islamic teaching center in Israel. But after Israel's victory in 1967, Israeli Arabs found themselves back in contact with Moslem holy places in Jerusalem and centers of Islamic learning in Hebron, Jerusalem, Nabulus and Gaza.

In the spartan office of the Islamic Association of Umm al-Fahim, a village in lower Galilee at the center of the revival, Sheikh Hashem Abdel Rahman Mahajani, 27, explained the movement's origins.

"Before 1967, we were cut off from all Arab and Islamic culture — we almost became Jews," he said. "There was nowhere to study religion. When the West Bank was opened, we learned a lot about Islam. All our religious books came from the West Bank and Gaza, and many lectures."

In mid-April, the senior Moslem cleric of Jerusalem, Sheikh Saad al-Din al-Alami, the mufti, who before 1967 could not contact Israeli Moslems, went to the Israeli town of Beersheba, unfolded prayer rug

outside the municipal museum and led about 20 Israeli Arabs and Bedouins in prayer.

Until 1948 the Beersheba museum was a Turkish-built mosque. Local Moslems have asked Sheikh Alami to help them get it back.

Sheikh Mahajani said he grew up in a traditional but not overly religious household. When he graduated from high school, one of his teachers suggested he go to Hebron Islamic College. He earned a bachelor's degree in Islamic religious studies, then returned to his village to teach others.

He said another important external filip for the Israeli Moslem revival came from the peace treaty with Egypt, which opened Israeli Arabs to influences from Islamic centers in Cairo.

"I know all of the developments of the Islamic world by reading the Egyptian newspapers and magazines," he said.

The Islamic revival in Israel turned from a cultural to a political phenomenon with the Iranian Islamic revolution of 1979 and the coming of age of a new, post-1967 generation of Israeli Arabs. They sought to express their awakening Palestinian Arab identities and distinguish themselves from Israeli Jews and the Westernized culture epitomized by Tel Aviv.

"Within Israel, the Islamic revival is not a movement of the oppressed," said Emanuel Sivan, a Hebrew University expert on Islam. "Rather, it is middle-class people and their children reaffirming their identity as Moslems, above all else, and aspiring to liberate Palestine as a Moslem land."

This potent mix of cultural, religious and nationalist elements was behind the first serious Islamic revolutionary movement in Israel: Umm al-Jihad, the Family of Holy War, organized in the late 1970s by Sheikh Abdullah Nimr Darwish from the Israeli Arab village of Kfar Qasim, near Tel Aviv.

Umm al-Jihad reportedly advocated sabotage and violence. It was discovered by the police before doing much damage. In 1981 the sheikh and 56 followers were imprisoned. Upon their release in 1984, they organized a loosely connected Islamic Association whose stated purpose was to work for peaceful change in Islamic society in Israel.

The fruits of their labor can be



A new mosque in a remote village of western Galilee.

seen in the Arab villages of northern Israel, with their new white stone mosques. In Umm al-Fahim, a village of about 5,000, seven mosques have been built in 10 years, after decades in which there were only four.

Moslem fundamentalists have won control or influence in the councils of several Israeli Arab villages through local parties with such names as Al-Hada (Guidance) or Ishah (Islamic Reform).

Although they insist they are apolitical, the literature of the Israeli Moslem revivalists says otherwise. Their main journal, Al-Sana, edited by Sheikh Darwish, has a heavy dose of Palestinian nationalist slogans and stories about sheikhs who were "martyred" for Palestine.

Nowhere does the picture of Yasser Arafat, the PLO chairman,

appear. And Ayatollah Khomeini, initially a role model, now appears to be discredited in the eyes of Israeli Moslems because they view the Iranian revolution as having devoured its own children and divided the Islamic world.

In the Gaza Strip, the number of mosques has grown in 20 years from 75 to 150. Many religious young men play soccer in long pants and swim on segregated beaches in conservative knee-length shorts.

In the West Bank, at a recent rally by the Islamic student bloc at Bir Zeit University, 400 students gathered in the parking lot to chant in unison verses from the Koran. The rally ended with everyone shouting, "I am a Moslem! An Arab! A Palestinian!"

A secular student observing the scene remarked, "It is kind of scary."

Khomeini in Good Health, Editor Reports

New York Times Service

WASHINGTON — Ayatollah Ruhollah Khomeini appears to be in better health than Western intelligence officials generally believe, according to a magazine editor who saw the Iranian leader earlier this year.

"Khomeini entered with a sure step and a fresh look, belying his widespread image of a sick man on the verge of death," wrote the magazine editor, George A. Nader, describing an audience with the 85-year-old ayatollah in the northern suburbs of Tehran in February.

"Although his face was impassive," Mr. Nader wrote, "his eyes fixed sharply on each person. The meeting lasted roughly 30 minutes, after which Khomeini left as energetically as he had entered."

Mr. Nader's account appears in an advance copy of the next issue of Middle East Insight, a

Washington-based magazine that specializes in reports on the Middle East.

His account of his rare first-hand exposure to Ayatollah Khomeini runs counter to assessments by U.S. and other intelligence analysts who have said they believe the ayatollah could die within a year. Some of these analysts have said they believe Ayatollah Khomeini suffered some sort of attack in October that severely weakened him and led to increased jostling for power among some other clerical leaders in Iran.

The ayatollah is believed to be suffering from an advanced form of prostate cancer and from a heart ailment, and may be taking large amounts of medication, according to these analysts. During the audience, which included Iranian clerics and Afghan guerrillas, Mr. Nader said, Ayatollah Khomeini defended his determination to continue the war with Iraq and criticized the Soviet military intervention in Afghanistan.

Mideast Peace Effort: Progress, With Complications

By David K. Shipler

WASHINGTON — Although intensive diplomatic efforts in recent weeks among Jordan, Israel and the United States have made some progress toward agreement on a format for an international peace conference on the Middle East, major differences remain on how the Palestinians would be represented and how much authority such a conference would have, according to U.S. officials.

Because of these obstacles, U.S. officials and Middle Eastern diplomats express doubt that a conference can be convened soon. They cite questions about a Soviet role and internal Israeli and Palestinian political maneuvering as other complications.

"It's like everything in the Middle East except war — it goes very slowly," a Reagan administration official said. "There has clearly been some real progress recently, but everything could fall apart."

Most of the movement has been on procedural questions, officials said. This is reflected in guidelines for a conference that have been circulated among the United States, Jordan, Israel and Egypt. It is not clear who drafted them or whether they contain principles on which the parties have agreed.

President Ronald Reagan sent a

letter April 24 to Prime Minister Yitzhak Shamir of Israel repeating Washington's qualified endorsement of an international conference. U.S. officials said the letter was partly an effort to help repair relations with Jordan.

U.S. ties with Jordan were hurt by disclosures that Iran in exchange for hostages while urging other nations not to deal with terrorists or provide arms to Iran.

Mr. Shamir opposes the concept of a conference, but Foreign Minister Shimon Peres is using the issue against him.

Mr. Peres has allowed aides to give the impression of a major breakthrough that might lead to the collapse of the national unity government in which he has shared power with Mr. Shamir, who leads the Likud bloc. Mr. Reagan's letter bolstered the position of Mr. Peres, who leads the Labor Party.

Mr. Peres has apparently drawn encouragement from a recent meeting that he and Defense Minister Yitzhak Rabin are reported to have held with King Hussein of Jordan.

The idea of an international conference originated with Hussein, who has maintained that a broad umbrella is needed to legitimize any direct talks with Israel over the future of the Israeli-occupied West Bank.

Under this idea, the conference would include the five permanent members of the United Nations Security Council — the United States, the Soviet Union, China, France and Britain — as well as Israel, Arab countries and the Palestine Liberation Organization.

The Reagan administration, wary of inviting the Soviet Union into the diplomatic process, has insisted that a conference adjourn quickly into direct talks between Jordan and Israel and that the full conference have no power to veto a Jordanian-Israeli agreement.

The Soviet Union, by contrast, has held out for a substantive conference and is not regarded as willing to lend its name to a meeting that would have no authority.

In recent discussions, this question is said to have been boiled down to the procedural question of what would happen if Jordanian-Israeli talks hit an obstacle or reached accord.

Israel and the United States do not want such matters referred to

the full conference for resolution, veto or ratification.

The Soviet Union apparently relaxed its demands on this point in February, when the Soviet ambassador to Jordan said Moscow would not require such issues of agreement to be ratified by the full conference.

Jordan insists, however, that the Security Council guarantee the final agreement.

The other major issue is what form Palestinian representation would take. A recent Soviet-Syrian communiqué reiterated a demand that the PLO attend.

Israel, however, rejects the PLO as a participant, and the United States would accept the organization only if it endorsed UN Security Council Resolutions 242 and 338, which imply recognition of Israel's right to exist.

Over the years, the Soviet Union has also urged PLO leaders to accept the resolutions, to no avail. Long efforts by Hussein to get Yasser Arafat, the PLO leader, to

renounce terrorism and accept the resolutions have failed.

By some analyses, the recent conference of Palestinian factions in Algiers complicated the task of reaching an accord on Palestinian representation. The PLO formally accepted an agreement with Jordan to join in selecting Palestinians for a joint delegation. The agreement had already been renounced by Hussein.

A senior U.S. official speculated that this could improve the chances that Hussein would go to a conference without the PLO, selecting Palestinians from the Israeli-occupied West Bank and Gaza Strip for part of his delegation.

In achieving unity among disparate groups within the PLO, Mr. Arafat may have given the organization a more radical posture.

Other officials and Middle Eastern diplomats say, however, that hardly any respected Palestinians would be willing to risk the personal danger involved.

Libya Is Said To Ask Arms From China

Washington Post Service

WASHINGTON — Libya's leader, Colonel Moammar Gadhafi, has turned to China for weapons after the Soviet Union refused to send him additional arms, according to Reagan administration officials.

The officials said the Soviet leaders have been distancing themselves from Colonel Gadhafi over the past several months.

One administration official theorized last week that Colonel Gadhafi was turning toward China not to establish a new relationship but to put pressure on the Soviet Union to renew shipments of arms "even though he has got far more than he needs."

Officials attributed the chill in Soviet-Libyan relations to a dispute over an oil-for-arms agreement and to the inept way the Libyan forces have used weaponry received from the Soviet Union.

Under a May 1986 agreement, officials said, Libya was supposed to offset the cost of Soviet arms with oil shipments. The Libyans shipped 100,000 barrels a day to the Soviet Union, starting in August 1986, but suspended shipments in January. The Russians responded, officials said, by suspending planned shipments of arms to Libya and have not resumed them in any major way.

Soviet disillusionment with Libyans' poor performance during the U.S. bombing raid last year, officials said. More recently, the Libyans abandoned tons of first-line Soviet helicopters and vehicles in their retreat from Chad.

A Libyan specialist at the State Department said he doubted that any sizable Libyan-Chinese arms agreement would emerge from current negotiations.

Kanaks Again Rebuff Libya

Reuters

NOUMEA, New Caledonia — Leaders of the separatist Kanak Socialist National Liberation Front said Sunday that they had rejected Libyan aid in their effort to wrest New Caledonia's independence from France.

Yewenne Yewenne, spokesman for the separatist group, said the leader of a small, radical Kanak party had committed "only himself" in his statements this weekend welcoming Libyan aid and calling for armed struggle.

Yann Celene Ugei, leader of the Kanak Liberation Front, was

quoted by the Libyan news agency JANA as thanking the Libyan leader, Colonel Moammar Gadhafi, for his support.

"France entered with the gun," the agency quoted Mr. Ugei as saying, "and we must get it out with the gun."

Mr. Yewenne said the front had rejected Mr. Ugei's call for closer ties with Libya at its most recent congress in February.

"This was confirmed several weeks later by the 10th council of ministers" of the Kanak Socialist National Liberation Front's provisional government, he added.

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WORLD BRIEFS

Norway Leader Calls Britain a Polluter

LONDON (Reuters) — Prime Minister Gro Harlem Brundtland of Norway accused Britain on Sunday of polluting its neighbors with acid rain. She said Britain was too slow to realize that something needed to be done.

"The electricity bill in Britain is partly covered by the Norwegian nature being destroyed or other countries' nature being destroyed," Mrs. Brundtland said in a BBC radio interview. The Norwegian leader was speaking from Oslo on an international call-in program.

A spokesman for Britain's Environment Department said, "The government is aware of the country's reputation and is taking positive steps to rectify it." Acid rain is produced when gases expelled from power stations and other industrial plants turn into sulphur dioxide and form poisonous rain clouds.

Greens Elect a 'Radical' Leadership

DUISBURG, West Germany (Reuters) — West Germans who are members of the Greens party and favor an alliance with the opposition Social Democrats suffered a severe defeat Sunday when the party's congress voted a "radical" executive committee into power.

The Greens, the largest environmentalist and pacifist movement in Europe, have long been divided into one wing favoring cooperation with the Social Democrats at the state and federal level, and another that argues that such agreements would compromise the anti-nuclear party's policies.

Ex-Afghan Leader Is Reported Jailed

BEIJING (AP) — The former Afghan leader, Babrak Karmal, has been arrested in Afghanistan and is in prison, the Xinhua news agency reported Sunday. In Moscow, an Afghan Embassy official said he did not believe the report was correct.

The news agency quoted diplomatic sources in Islamabad, Pakistan, as saying that Mr. Karmal was sent to Pul-e Khushkai Jail in Kabul. The agency said the reason for the arrest was not known and the diplomatic sources were not identified.

Xinhua said the order to arrest Mr. Karmal, the former Afghan president and secretary of the People's Democratic Party of Afghanistan, came from the Revolutionary Council of Afghanistan.

Hong Kong Sets Limits on Press Bill

HONG KONG (Reuters) — Hong Kong has published guidelines for possible prosecution under a recently enacted bill that made publishing false news a criminal offense.

Government sources said Saturday that the guidelines published by the attorney-general aimed to reassure news media in the British colony that the bill was not designed to curb press freedom. They said media representatives had urged the government to clarify the law passed by the colony's legislature in March, claiming it had been rushed through, was vague, and was loosely drafted.

The guidelines say unconfirmed rumors, even if false, are news and unobjectionable. If a report is false, responsibility will lie with the individual making the false statement, not the medium that publishes it. Prosecution will not be authorized where the truth is uncertain or false, not proved beyond question, the sources said. Prosecution will not be appropriate if the person publishing the news had reasonable grounds at the time for believing it true.

TRAVEL UPDATE

Venice Seeks to Curb Flood of Visitors

VENICE (Reuters) — City officials called an emergency meeting on Sunday to consider restricting the flood of tourists that has more than doubled Venice's normal population, stretched public transport to the limit and provoked complaints from residents.

The bridge from the mainland was closed Saturday and one-way pedestrian systems were enforced in narrow lanes along canals as more than 100,000 tourists visited Venice for the third straight weekend.

The city council said it would meet again Thursday to decide whether to restrict the number of visitors. Suggestions under consideration include distributing entry tickets or stopping trains to Venice at the mainland to regulate the flow of incoming tourists.

Cruise Ship Passengers to Get Refunds

LONDON (AP) — All 1,200 passengers aboard the luxury liner Queen Elizabeth 2 have been offered a 40-percent cash refund on their fares, according to a spokesman for Cunard Lines, the British company that owns the vessel. The ship is scheduled to arrive Monday in New York.

The offer Saturday was prompted by a torrent of complaints about faults during the liner's maiden voyage (following major renovation work). Unavailable facilities included the swimming pools and the movie theater, and in some cabins television sets were reported out of order. More than 80 passenger cabins were not ready, some showers, telephones and toilets did not work, and many meals were served cold. Passengers paid up to \$5,810 apiece for the trip, which began Thursday in Southampton, England.

Alan Kennedy, the Cunard Lines chairman, said passengers would receive the refunds by May 27. Mr. Kennedy, who is aboard the liner, added that he had written to each passenger offering apologies for the problems.

Sixteen airline accidents killed 330 passengers on scheduled flights last year, a sharp drop from the 1985 record of 22 fatal accidents and 1,066 deaths, the International Civil Aviation Organization, a United Nations body, reported Friday.

This Week's Holidays

Banking hours and government services will be closed or curtailed in the following countries this week because of national and religious holidays:

MONDAY: Barbados, Britain, Israel, Japan, Romania.

TUESDAY: Japan, Mexico, South Korea, Thailand.

WEDNESDAY: Syria.

FRIDAY: France, Monaco, New Caledonia.

SATURDAY: Czechoslovakia, Soviet Union.

Source: Morgan Guaranty Trust Co.

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SCIENCE FOR LIFE

Campaigning for President, Iowa-Style

By E.J. Dionne Jr.
New York Times Service

DES MOINES, Iowa — "Ruth, this is Congressman Gephardt calling. How are you? Hot? How are you doing on the farm? The hogs are helping a little, aren't they? So you're breaking even?"

This is campaigning for president of the United States, Iowa-style. Representative Richard A. Gephardt, a Democrat, is feet up on a desk, a telephone to his ear, looking down at the sheet of papers before him. They are "call request forms," a cross between intelligence reports and a who's who in Iowa Democratic politics.

Mr. Gephardt is talking to Ruth Bolie in Thompson, Iowa, and the call sheet tells him she is "close to Harlan and Marge Johnson" and "can organize if her heart is there."

The congressman mentions in passing that Harlan and Marge are in his camp and chats for 15 minutes about farming, the weather and Aunt Minnie down the road. Mr. Gephardt seeks no commitment but promises to see Ruth and her husband, Dave, soon.

Iowans, who will provide the first big test of the presidential campaign on Feb. 8, 1988, expect this sort of thing from candidates, and Mr. Gephardt is giving them more of it than almost anyone else.

But he is not alone. Every Republican and Democrat running for the White House knows that several candidates will die in Iowa, at the hands of voters like Ruth Bolie and Marge Johnson, who in turn will give other candidates a mighty push toward nomination.

For it is in Iowa, a place of farm

foreclosures and factory layoffs, that the process of weeding out a crowded presidential field will begin. Its caucuses start the long process of selecting state delegates to the national conventions. And for Democrats especially, the early test in Iowa is more important than usual.

This is partly because Governor

was showing signs of turning around, the damage was great: The state has 9,000 fewer farms than it did in 1981 and 4,000 others are in or near bankruptcy.

More than a third of the state's dealers in farm implements have closed since 1980. At John Deere, the large employer and manufacturer of farm equipment, there are

14,000 fewer jobs today than in 1980.

Some Democrats are trying to convert the economic discontent into political support. Mr. Dukakis is touting the comeback in his own state. The Reverend Jesse L. Jackson, paying far more attention to Iowa than he did in his 1984 campaign, has drawn enthusiastic crowds among angry farmers for his attacks on Wall Street and "merger maniacs."

Mr. Gephardt said one Democrat, "it's touching as many people as many times as one could possibly hope to do." He has hand-

written thousands of notes. He has visited the Democratic sick in hospitals. He has aided Democrats in campaigns for the governorship to county sheriff.

It is a strategy that worked for Jimmy Carter in 1976, but supporters of Mr. Biden and Mr. Babbitt are skeptical that it will work again. And these candidates have been very busy in Iowa too.

On the Republican side, the contest is shaping up as an old-fashioned showdown between Vice President George Bush and Bob Dole, the Senate minority leader.

There could also be some Republican surprises. Former Governor Pierre S. du Pont 4th of Delaware, unnumbered by public office or fame, can wander the state freely, running a variant of the Gephardt strategy.

What makes Iowa so difficult to predict is its arcane caucus procedure. There is no telling how many of the state's 1.6 million voters will show up in February to stand up for their candidate. As Penny Brown, the local coordinator for Representative Jack Kemp, Republican of New York, put it, "The average human being doesn't go to a caucus."

Democrats literally stand up for their candidates, and sometimes, if their numbers are small, have to merge with other candidate groups to win representation to subsequent caucuses in the selection process. The Republicans have a straw poll, much closer to a primary, but voters still must go to caucus meetings to vote.

Tambs Says U.S. Officials Ordered Aid To Contras

By Joel Brinkley
New York Times Service

PHOENIX, Arizona — Lewis A. Tambs, who resigned as U.S. ambassador to Costa Rica in January amid reports that he and his staff had improperly assisted the Nicaraguan rebels, says all his actions were taken on specific orders from senior government officials in Washington.

"Now the people who gave us the orders are trying to paint us as running amok," said Mr. Tambs, a professor of history at Arizona State University, on Saturday in his first interview on the subject since leaving office. "It's insane."

Officials of the U.S. Central Intelligence Agency and the State Department repeatedly have denied having anything to do with the covert and apparently illegal program to aid the Nicaraguan rebels, known as contras, in 1985 and 1986. The Reagan administration has said the program was entirely directed by Lieutenant Colonel Oliver L. North, the former National Security Council aide.

Mr. Tambs said his orders came from the Restricted Interagency Group, an informal organization of U.S. government officials who helped set contra policy.

He said that many officials took part in some meetings of the group but that the three key officers, who gave him his orders, were Colonel North; Alan D. Fiers, who helped make policy as head of the CIA Central American Task Force; and Elliott Abrams, the group's chairman. Mr. Abrams is the assistant secretary of state for inter-American affairs and was Mr. Tambs's immediate supervisor. Spokesmen for Mr. Abrams and the CIA denied the allegations.

During most of 1985 and 1986, federal law prohibited government involvement in military aid to the contras. In response to Mr. Tambs's statements, spokesmen for both the CIA and the State Department denied that the officials involved had acted improperly.

Mr. Tambs said that officials in Washington directed him and the CIA station chief in Costa Rica to give logistical help to the contras and to the Americans flying weapons and other supplies to the rebels. He said he never knew with certainty what was on the flights.

AMERICAN TOPICS



"WITHOUT A MIRACLE . . . — With his wife, Tammy Faye, the Reverend Jim Bakker made his first public appearance since leaving the PTL television ministry March 19 in a sex scandal. He said in Palm Springs, California, that "without a miracle of God, we will never minister again," and said that PTL owed him millions in royalties.

For Crime Victims, Rights but No Gifts

Thirty-three states permit crime victims or their next of kin to appear before parole boards, compared with only six in 1982, and 11 others permit written statements to be filed. But victims or relatives have to assert their rights. The New York Times reports.

"Crime victims are the forgotten people," said Paul Garland, a New York lawyer whose daughter was murdered in 1977. "We are kind of like lepers. People turn away from us."

A Fort Worth, Texas, woman who asked that her name not be used said that prison officials treated her shabbily while deferring to the family of the man who tried to murder her.

But Stephen Blankenship of the California parole board said, "The law has made the victim an important part of the process here."

No Kennedy family member has ever appeared when Sirhan B. Sirhan, who murdered Robert F. Kennedy in 1968, has been considered for parole, but the Los Angeles district attorney always sends a representative to oppose release, Mr. Blankenship said.

Doris Tate, mother of Sharon Tate, the actress who was murdered by followers of Charles Manson, always appears at his hearings to oppose his parole.

Short Takes

The last known California condor in the wild has been caught with a cannon-fired net in Bitter Creek National Wildlife Refuge in Southern California. This brings the number in captivity to 27. The Audubon Society and

the U.S. Interior Department hope to breed enough of the huge vultures — their 9-foot (2.75-meter) wingspan is the largest in North America — to return some eventually to the wild. However, some environmentalists doubt that this will work.

Speed limit signs reading 44 mph (71 kph) were posted in Florida's Leon County to make drivers sit up and take notice. The drivers did, and 70 of the unusual signs were stolen. County commissioners then voted to install conventional 45 mph warnings, outwitting Commissioner Gayle Nelson, who contended that the 44 mph signs were more effective in getting drivers to slow down.

Residents of Connecticut had the highest average income of any U.S. state in 1986, with Alaska out of first place for the first time in 14 years. The U.S. Commerce Department said that the men, women and children of Connecticut averaged \$19,208 each in income. New Jersey ranked second, followed by Alaska, Massachusetts and New York. Mississippi, last for several years, stayed there with \$9,552. The national per capita average was \$14,461.

President Eisenhower wanted Richard M. Nixon to become secretary of defense in 1956 to gain some administrative experience but the vice president refused, believing Eisenhower was trying to get rid of him, a Nixon biographer says. Stephen Ambrose, author of the newly published book, "Nixon: The Education of a Politician 1913-62" (Simon & Schuster), told U.S. News & World Report that Nixon's big weakness as a president was that he did not know how to administer.

ter government," and that "his administration was replete with crossed purposes and people keeping secrets from each other."

Notes About People

Oliver Stone has written or directed such gory films as "Midnight Express," "Scarface," "Salvador" and "Platoon." He says that with his next film, "Wall Street," which concerns corporate raiders, he is phasing out of violence. The son of a stockbroker, Mr. Stone, 40, dropped out of Yale University to volunteer for the infantry in Vietnam and was wounded twice. He told The New York Times that Wall Street has its own brutalities, but that "there's no question that 'Platoon' is the end of the blood cycle." He added, "I think I got everything I had to get out of me on that."

Peter O'Toole has made his Broadway debut at age 54 in George Bernard Shaw's "Pygmalion," with Amanda Plummer and John Mills. The production, from its star-studded cast to its "elaborate yet slightly tacky scenery," says The New York Times, "defines the West End midweek matinee. This is theater to sip Earl Grey tea by."

No one can accuse Jane Weyburner of capitalizing on the position of her husband, Defense Secretary Caspar W. Weinberger. The note on the dust jacket of her new book on fund raising, "Please Buy My Violets," says that "she spends part of each year in Washington, where her husband works with the government."

—ARTHUR HIGBEE

U.S., Allies Bolster Bases In Atlantic

By David Fouquet
Washington Post Service

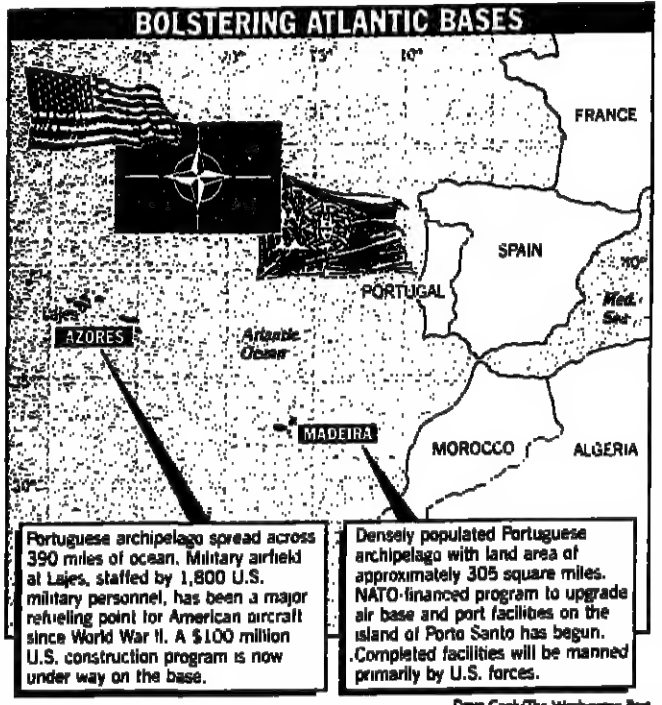
LAJES, Azores — The United States and its NATO allies have begun a major buildup of military facilities in the Portuguese island groups of the Azores and Madeira to counter what they say is an increased Soviet threat to Western shipping and rapid wartime reinforcement of Europe.

Some of the stimulus is said to be senior military officials to be an increase in the Soviet air and naval presence in Angola. The officials described that presence as a potential threat to the flow of oil and raw materials to the West.

The construction program in the Azores is said to be costing nearly \$100 million, a sum reported by the U.S. base commander to be as large as for any such U.S. Air Force project.

A North Atlantic Treaty Organization program in the Madeira group is aimed at providing a "viable forward support base" for operating below the Tropic of Cancer, more than 1,000 miles (1,600 kilometers) south of the islands. The parallel is normally NATO's limit of operations.

While officers at NATO's Iberian Atlantic Command near Lisbon said no formal allied military operations had taken place below the Tropic of Cancer, a recent alliance-



Dave Cook/The Washington Post

wide exercise included scenarios involving a threat from Angola.

The Azores and Madeira expansions are considered delicate for Portugal, which is seeking to increase its role within NATO yet is also pressing its allies for increased compensation for the use of bases on its territory.

There has been little public opposition to the bases in recent years, but some of the latest plans have not been made public. Any hint of NATO extending beyond its treaty limits generally arouses controversy in some European member states.

The United States, which has used the Lajes base and others under Portuguese command in the Azores since 1943, considers Lajes a key asset for logistics and anti-submarine warfare.

"Whoever controls the Azores controls the Atlantic," said Brigadier General Larry Wright of the U.S. Air Force.

He said about 250 U.S. aircraft touched down at Lajes every month on their way between the United States and Europe, the Middle East or Africa. This traffic increases during exercises by U.S. forces in Europe or the Middle East.

About 1,800 U.S. military personnel are at Lajes, along with 1,900 dependents, 1,600 Portuguese workers and host Portuguese forces. In case of a European conflict, there would be a major in-

crease of air and shipping traffic crucial to speeding reinforcements to the front, along with an expected effort by Soviet submarines to intercept maritime convoys.

Plans include an increase in the maritime patrol and anti-submarine capability. In a conflict, U.S. and Portuguese units could ferret out Soviet submarines that managed to get through the allied choke points in the Greenland-Iceland-Britain area or the Mediterranean.

There has been no official comment on recent reports in the Portuguese press that units of the U.S. Central Command, formerly called the Rapid Deployment Force, might be stationed at Beja air base on the Portuguese mainland.

Expanded facilities on the island of Porto Santo, in the Madeira archipelago, though financed by NATO, will be manned primarily by Americans, sources in Lisbon said.

A major air base and port facility should be finished in the coming year, officials said.

Rear Admiral Warren C. Hamm, deputy commander of NATO's Iberian command, recently said the expansion was "not a political plan but a military plan, a contingency plan."

He noted that the Soviet Union was operating destroyers, cruisers, submarines and other vessels from Angola, as well as a few Bear long-range aircraft.

Quebec Ends Holdout on Constitution

New York Times Service

TORONTO — After 20 years of uncertainty about its place in the Canadian confederation, Quebec has agreed to end its holdout and sign the Canadian Constitution.

"What we have now is a whole country," said Prime Minister Brian Mulroney as he announced the agreement on Friday in Parliament in Ottawa. The announcement was greeted with a standing ovation from all political parties in the House of Commons and by a widespread sense of relief and celebration elsewhere in Canada.

The breakthrough came at a 10-hour meeting on Thursday, at which Mr. Mulroney and the premiers of the nine other provinces agreed to write into the constitution a provision acknowledging Quebec's status as a "distinct society."

Other Quebec demands were met with what could prove to be the biggest decentralization of federal powers to the provinces since Canada was founded in 1867. Granting all provinces what Quebec had demanded for itself, Mr. Mulroney agreed that they would henceforth have a say over immigration and appointments to the Canadian Supreme Court, as well as a veto over constitutional changes affecting national institutions and provincial boundaries.

Before becoming final, the accord must be formally ratified by the 10 provinces and the federal government, then submitted to Parliament and the provincial legislatures. Approval is expected.

Rebels Report Deaths Of 140 Angolan Troops

The Angolan anti-Marxist rebels said they killed 140 government soldiers and four Cubans in fighting last week. The rebels said they defeated an army brigade and bombed a military airport.

The National Union for the Total Independence of Angola, known as UNITA, said in a statement Saturday that 195 Angolan soldiers were injured and 75 others were captured in the clashes.

EC Charity Snubbed in South Africa

By David Osborne
Special to the Herald Tribune

BRUSSELS — South African charity organizations, protesting the European Community's economic links with Pretoria, have snubbed a \$20 million EC aid program for victims of apartheid.

The charities, which last year spent almost \$10 million of EC funds inside South Africa, have said they will take no more money while Europe continues to do business with Pretoria.

Last September, EC foreign ministers doubled the fund for 1987 after agreeing on only limited sanctions against Pretoria, banning the import of iron, steel and gold coins and putting a freeze on investment in South Africa.

The aid program, begun last year, was hailed by EC governments as a pioneering attempt to balance sanctions with material support for South Africa's black population. But critics were quick to condemn the "positive measures" as an inexpensive sop to those pressing for an all-out boycott of Pretoria.

Most of the money was channeled through the South African Council of Churches and the Johannesburg-based Kaptein Trust, in coordination with European charities. Brussels stipulated that the money should go to nonpolitical and nonviolent organizations — ruling out the African National Congress as a possible beneficiary — and that it be used for humanitarian aid only.

An EC Commission official has confirmed that the main charities involved have stopped submitting fresh projects for EC funding.

She said a delegation, led by the Reverend Beyers Naude of the South African Council of Churches and Abner Dangor, director of the Kaptein Trust, had come to Brussels "up in arms" and refusing to take any more EC cash until firmer action was taken against Pretoria.

"They accepted our criteria for using the money when the scheme began last year and we told them there is no way we can change those," she said.

Concorde Barely Missed Small Jet Over England

Reuters

LONDON — A British Airways Concorde jet narrowly missed a small aircraft over western England last month, British Airways confirmed Sunday, following a newspaper report of the incident.

The Concorde missed a 15-seat turboprop by about 875 yards (800 meters) after taking off April 23 from London's Heathrow Airport for New York. The Observer newspaper said that the Concorde pilot had misunderstood or had failed to hear instructions from air controllers. An investigation is under way.

Unrest and South Africa Voting

Violence Is a Double-Edged Sword for National Party

By William Claiborne
Washington Post Service

SPRINGS, South Africa — When striking black railroad workers set fire to some commuter coaches in this blue-collar Transvaal industrial city last week, Piet Coetzer, the local National Party member of Parliament, rushed to the locomotive depot to talk to white employees.

"I told them exactly where the strike began, and that as bad as the violence is, if we don't do something to accommodate the blacks," the black trade unions "will become more and more politicized," said Mr. Coetzer, who is running for re-election. "They will use the trade unions to get the revolution going."

"I told them that blacks have no member of Parliament to whom they can take their grievances," he added, "and until they have the same thing we have, the unions will become politicized."

Mr. Coetzer is regarded as a *verligte*, or liberal, in the ruling National Party. "They understood that, but they were still frightened," he said. "The

NEWS ANALYSIS

As the sanctions issue evaporated for lack of interest, the Nationalists shifted gears. First, they focused on a handful of party defectors running as independents. Then they attacked the Progressive Federal Party, equating its platform with that of the outlawed African National Congress.

But on the eve of Wednesday's voting, a revival of racial unrest clearly has overtaken the previous issues. Nowhere is it a more sensitive issue than in Springs, where, as Mr. Coetzer says, "it makes people go for their guns."

The 21,000 voters of Springs, which is east of Johannesburg, are working class, conservative and patriotic.

"If we had a snap election in December, we would have killed these guys," meaning the Conservative Party, "with the sanctions issue," said Mr. Coetzer. He conceded that the National Party is no longer controlling the issues but is responding to them.

Mr. Coetzer said he was concerned about the possibility of a low voter turnout. Wednesday, a common election phenomenon in Springs with its large number of shift workers, but one that could be exacerbated by unrest in Johannesburg and elsewhere.

"If a rumor gets around that there's going to be a terrorist attack on election day, they'll stay away," said Mr. Coetzer. "That's a problem for us. But the Conservative Party and the AWP love it." AWP are the Afrikaners initials for the Afrikaner Resistance Movement, a neo-fascist group. "They'll come to the polling box armed," he added.

The National Party will be returned to power Wednesday is not doubted by Mr. Coetzer or by political analysts. The only questions remaining are whether the Progressive Federal Party will hold enough of its 27 seats to remain the official opposition party, or whether the Conservative Party, with 18 seats, can gain enough ground to take the opposition benches.

The answer to those questions may depend on the actions in the coming days of angry young blacks who have no vote at all — and the government's response.

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In Bavaria, Pope Honors Priest Jailed Under Nazis

MUNICH — Pope John Paul II beatified a German priest on Sunday who was jailed for repeatedly denouncing Hitler, saying the behavior of the Nazis was proof that the devil existed.

On the penultimate day of his visit to West Germany, the pope celebrated Mass before more than 80,000 people at the Olympic stadium in Munich, where he beatified the Reverend Rupert Mayer, a Jesuit priest imprisoned three times for condemning Nazi rule.

The ceremony in the mainly Roman Catholic capital of Bavaria followed the controversial beatification Friday in Cologne of Edith Stein, a Jewish-born Catholic convert who became a nun and died in the Auschwitz concentration camp in 1942. Beatification is the step before sainthood.

"There are times when the existence of evil among people is particularly apparent," the pope said. "Then it becomes even clearer that the powers of darkness that reside in and operate through man are larger than him. They come from outside and envelop him."

He added, "It seems that people today almost do not want to see this problem. They do everything to put the existence of those powers of this world of darkness, those powers of the devil... from their minds."

The pope has made several references during his visit to the church's much-criticized attitude to the Nazis, and has focused on the bravery of individual clerics.

He has repeatedly linked Stein and Mayer, saying they represented the fearlessness of what he called "the other Germany" during World War II.

The pope recounted the priest's story and said that he lived in an era that demanded courage to profess the Catholic faith.

Mayer was sent to prison twice for his strong stand against the Nazis before being taken to the Sachsenhausen concentration camp near Berlin in 1939.

The priest said of his imprisonment: "I do not regard it as a blemish but as the crowning glory of my life."

The Nazis, fearing that he was prepared to die for his beliefs, transferred him some months later to an isolated monastery in southern Bavaria.

Mayer, who had lost a leg while serving as an army chaplain in World War I, was freed by U.S. soldiers in 1945. He died of a stroke a few months later at the age of 69.

By James M. Markham
New York Times Service

BONN — There are too many living ghosts of the Nazi past around for any European nation to feel that the case of Kurt Waldheim is an isolated Austrian matter.

This month, France warily confronts the trial of Klaus Barbie, the erstwhile Gestapo chief in Lyon; his lawyer has vowed to expose alleged betrayals by the French Resistance, and even by the French Jewish community during World War II. And the ailing Rudolf Hess, once Hitler's deputy, just spent his 93d birthday in Spandau Prison in Berlin with Soviet officials involved in administering the city ignoring West German pleas that he be freed.

The Reagan administration's decision to place Mr. Waldheim on its "watch list" of 40,000 former Nazis, communists, common criminals and people with contagious diseases met with a studied official silence in European capitals last week — except, of course, in roiled Vienna. Washington's action made Mr. Waldheim the first head of state to be placed on a list of people to be excluded from the United States.

European governments have a tendency to separate moral imperatives from interests of state, and they are made uncomfortable by the American penchant for seizing the moral high ground — from which it is so easy to slip. Should Stalin have been banned from the United States in an earlier time? Should Augusto Pinochet of Chile or Alfredo Stroessner of Paraguay be banned today? Where does one draw the line?

Even so, well before the Justice Department's dramatic decision to exclude Mr. Waldheim because it found apparent evidence of his involvement in Nazi war crimes, several European nations quietly had indicated their aversion to the man.

Monarchs took the lead. Queen Beatrix of the Netherlands, whose nation suffered at the hands of some prominent Austrian Nazis in the war, disinvited Mr. Waldheim from the opening of an extensive network of dikes on the Dutch coast; an invitation had been proffered to his predecessor. She also has stopped taking her annual ski vacation at the Austrian resort of Lech for the duration of Mr. Waldheim's six-year mandate.

In Europe, With Its 'Living Ghosts,' the Reaction to Waldheim Is Cautious

Mr. Waldheim told a Belgian newspaper recently that he had been invited to visit several European countries but did not want to name them for fear of jeopardizing the trips. Press leaks in Vienna have sabotaged tentative attempts to get invitations from Ireland and Japan.

The prime minister of Canada, Brian Mulroney, said Mr. Waldheim would be unwelcome, but not officially barred.

The Justice Department's action will make it difficult for any West European nation to consider having the Austrian president as a guest.

Mr. Waldheim is likely to remain the most ostracized head of state in Europe, and may have to settle for visits to such places as Jordan and Egypt, which have invited him. In his UN days, Mr. Waldheim enjoyed traveling, and his new status is likely to be painful for him.

Many West European editorial writers noted that Mr. Waldheim's unrepentant insistence that he saw or did no wrong during the Balkans campaign in World War II had aggravated his isolation.

"The American decision," said the Copenhagen daily newspaper Information, "is encouragement for those who believe that the Nazi barbarity was something unique which the international community must, and can, combat." It said the Waldheim case provided "the best proof that this combat has lost none of its meaning."

In West Germany, Chancellor Helmut Kohl, who praised Mr. Waldheim as "a great patriot" when the Austrian's war record first came under scrutiny a year ago, remained silent on the U.S. action.

But there have been twinges of sympathy for the beleaguered Austrian president in the press. Johann Georg Reissmüller, a publisher of the conservative Frankfurter Allgemeine Zeitung, accused the United States of hypocrisy for having in the past received statesmen who had been involved in "bloody mass crimes."

"Why?" asked Mr. Reissmüller. "America didn't want to slight states that it might need. No one has so far proved that President Waldheim did anything dishonorable, but the superpower America thinks it can deal with little, neutral Austria as it likes."

The Austrian president had other defenders in Europe. The Soviet press agency Tass asserted that "Zionist circles" in the United States had sought to punish Mr. Waldheim for his pro-Arab views at the United Nations.

And before the week was out, Mr. Waldheim had secured a European invitation — to visit Hungary next year.

In Amsterdam, there have been protests over an invitation extended to the Austrian chancellor, Franz Vranitzky, to attend the inauguration of a Jewish museum. Last fall, King Baudouin I of Belgium said he would not open an Austrian festival in Brussels if Mr. Waldheim came.

Mr. Waldheim came: Mr. Waldheim, a former United Nations secretary-general, stayed away. And France decided not to send André Lewin, who was a Waldheim aide at the United Nations, as ambassador to Vienna, as he seemed too close to the Austrian president.

Waldheim Reportedly Backed Arabs

Jerusalem — Kurt Waldheim wanted to help Moscow and its Arab allies against Israel while he was United Nations secretary-general during the 1973 Middle East war, his former private secretary has asserted.

In an interview in London that appeared Sunday in the English-language Jerusalem Post, Robert Rhodes-James said that "Kurt Waldheim's actions as UN secretary-general during the Yom Kippur war were designed to aid the Soviet Union and its Arab allies to the detriment of Israel."

Mr. Rhodes-James, a Conservative member of the British Parliament and a well-known historian, said: "Waldheim failed to act impartially during the Yom Kippur war. He maintained a prolonged silence until the military situation turned to Israel's advantage."

"I said to him: 'You have to say something. A war is raging.' But there was no response, because he was waiting for an indication from the Soviet Union on when his intervention would be appropriate. It was appropriate when the Soviet Union and its allies were being defeated. When they were winning, of course, he said nothing."

As to Mr. Waldheim's character, Mr. Rhodes-James said that "during my years at the UN, I found Waldheim a ranting, rude, bullying egomaniac, and this view was shared by most of those in the secretary-general's office."

In another development, the secretary-general of the conservative Austrian People's Party, Michael Graff, said Sunday in Vienna that the Austrian government should ask the U.S. authorities for the documents used in reaching the decision to bar Mr. Waldheim from private visits to the United States.

Mr. Graff said the government should form an international commission of historians to consider the case, as Mr. Waldheim has asked. Chancellor Franz Vranitzky also has supported the formation of such a commission.

Polish Police Use Batons On Marchers

Compiled by Our Staff From Dispatches

WARSAW — Police officers used batons Sunday to break up independent marches marking Constitution Day in Krakow, Lodz, Wroclaw and Warsaw. Polish opposition sources said about 200 demonstrators were detained.

The sources said police in Krakow used tear gas and batons to break up marches following celebrations at Wawel Castle that were attended by about 10,000 worshippers. At least 150 people were detained.

The clashes followed a rally outside the cathedral sponsored by the Confederation of Independent Poland.

"It was the first time in quite a while that ZOMO's in balaclava have been deployed against independent marches," one Krakow activist said. ZOMO is the acronym by which the Polish riot police are known.

Opposition sources said later that hundreds of worshippers remained on Wawel hill, the site of the royal castle and cathedral complex, rather than venturing into Krakow's heavily patrolled old town district.

About 40 demonstrators were detained in the southwestern city of Wroclaw where baton-wielding police stopped an attempted march by Solidarity supporters after a Constitution Day Mass at the local Jesuit church.

The plainclothes police took batons and flags from the marchers and beat them with the aluminum flagpoles, one source said.

In Lodz, Poland's textile capital, police also dispersed several hundred marchers who planned to place a wreath at a monument to Tadeusz Kosciuszko, an 18th-century national hero, and several people were detained.

In Warsaw, riot police dispersed without force a demonstration by about 1,000 people who chanted "No freedom without Solidarity" and other union slogans outside St. John's Cathedral in the city's Old Town district.

The demonstration followed a Mass marking the May 3 anniversary that was attended by an overflow crowd of 5,000.

Riot police broadcast calls for the crowd to disperse and cordoned off the street in front of the church to prevent a march from forming.

The police chased several hundred people back into the church. They later were escorted through the police lines by priests.

At least a dozen people were detained, including a CBS television crew from New York and a Canadian television crew.

The Sunday anniversary, honoring Poland's liberal constitution of 1791, has been a rallying point for opposition activists since the Communist takeover after World War II. (AP, Reuters, AFP)

CONGRESS: In Iran-Contra Hearings, a Test Nears

(Continued from Page 1)

were privately run commercial ventures not using U.S. government funds.

That is not how congressional investigators see it. Privately, they argue that Mr. Secord was the facilitator of White House-directed programs in Nicaragua and Iran.

The selling of U.S. arms to Iran, committee sources have said, was a government-to-government program in which the funds generated were the U.S. government's.

Robert C. McFarlane, the former national security adviser who is to address policy issues after Mr. Secord has provided the initial chronology of events, has already appeared before several investigating committees and has given differing versions of events.

On Oct. 7, 1985, Mr. McFarlane wrote to Mr. Hamilton: "There is no official or unofficial relationship with any member of the NSC staff regarding fund-raising for the Nicaraguan democratic opposition."

Last week, however, it was revealed in court that less than a month earlier, Lieutenant Colonel Oliver L. North of the National Security Council staff and Carl R. Channell, the fund-raiser who has pleaded guilty to fraud in the affair, met in Dallas with three potential contributors to a foundation that raised money to help the Contras.

Later in the hearing, another former national security adviser, Vice Admiral John M. Poindexter, and Colonel North, who was dismissed from the security council staff in November, are expected to testify.

Since the Iran-contra affair burst into the open late last year, there have been congressional hearings by four committees, a report by the Senate intelligence committee, a more detailed report by a presidential review board headed by former Senator John G. Tower, two General Accounting Office studies, a continuing investigation by an independent counsel, Lawrence E. Walsh, and four months of inquiry by House and Senate investigators setting the stage for the public hearings that are to begin Tuesday.

Many government officials and legislators have said that most of the significant facts about the affair have been disclosed and all that remains is to trace the money, decide who broke the law and determine what the president knew.

The guilty plea of Mr. Channell last week, however, suggests that this may not be the case.

Polish, Chinese Links

Congressional committees have uncovered detailed evidence that the Reagan administration solicited aid for the Nicaraguan rebels from Poland and China. The New York Times quotes a congressional official as saying:

The official said Friday that the committee's evidence of dealings with China included the first sale of Soviet-designed anti-aircraft missiles to the Contras. He said the sales were arranged by at least one former White House official.

The Contras were said to have bought arms from Poland when the Poles were also shipping weapons to the Nicaraguan government.

Reagan administration officials speculated that China's motive was to counter Soviet influence in the region and bolster ties with the United States. One official suggested that Poland's motive may have been its need for hard currency.

BRIDE: 12-Year-Old Dies

(Continued from Page 1)

scarf when she meets strangers, was forced into marriage three years ago. She soon became pregnant. Because her pelvis was small, she had a long, painful labor, and her baby was stillborn. She is now sterile.

Pressure on her bladder during pregnancy and labor caused an injury called a vesical vaginal fistula, which made her incontinent.

"When my husband found out about me, he refused to come to me," she said. "He didn't say any words. After turning my life, he just abandoned me."

Her parents, cassava and peanut farmers in the northern town of Gwarzo, forced Hadya to leave their house. She came to Kano, a sprawling market city, and survives by begging. She lives on a grass mat on the grounds of Murtala Mohammed Hospital, where she is waiting her turn for surgery that can correct the condition.

An estimated 20,000 teen-age girls in northern Nigeria have the same injury.

"They become outcasts at the age of 12 or 13 or 14," said Dr. Anamah, who has worked with health officials in Lagos and Kano to set up the surgical ward and a rehabilitation center for the victims. "It is such a waste of life."

The new 20-bed ward at Murtala Mohammed Hospital has not had an empty bed since it opened in January. There are nearly 1,000 girls now on the waiting list. Many of them, such as Hadya Mohammed, have made a home on the sandy ground just outside the ward. The scrub trees around the hospital grounds are draped with their drying rags — the only treatment the girls have for their condition.

As soon as they have the injury, "their husbands divorce them and their families will tolerate their smell only for a little while," said Fatima Olsobody, a staff nurse in the ward.

"First and foremost," said Dr. Anamah, "the solution to this problem is to get the government to stop child marriage. These girls' bodies simply are not mature enough for childbirth."

"We want the minimum age for marriage to be 18 years old," she added.

In northern Nigeria, where Islamic law is applicable to Moslems, there is little support for government legislation that would overrule local interpretations of the Koran.

In northern Nigeria, many Moslems, troubled by the death of Hauwa Abubakar, say Islamic law prescribes a punishment that will deter other husbands from mistreating their young wives.

That punishment, which was advocated by the New Nigerian newspaper, was that Malam Shehu Kirwa have his legs amputated with an ax.

EINSTEIN: Early Love Letters

(Continued from Page 1)

and don't fret. After all, I am not leaving you and I'll bring everything to a happy conclusion."

As several subsequent letters he referred to the child as though the baby was already born, saying, "How is the young chap?"

Maria was hoping for a girl and they called the unborn child "Lieserl," a diminutive of Liesa. "I am dizzy with joy," Einstein wrote her, after receiving word of a job in Bern. "The only thing that must be solved is how to have our Lieserl with us. I do not want for us to have to part with her."

Despite his mother's opposition, Einstein and Maria were married in January 1903 in Bern. According to a letter, to appear in the next volume of his papers, the Einsteins later learned that their daughter had recovered from scarlet fever.

But apparently she was still in her mother's native region. The mention of scarlet fever is the last reference to the girl in the correspondence.

ARMS: Allies Delay

(Continued from Page 1)

say they believe that the North Atlantic Treaty Organization should insist on the right to retain some missiles in the lower range.

West German indecision forced the North Atlantic Council, the highest decision-making body within NATO, to cancel a meeting that had been set for Monday in Brussels to discuss the missile offer.

France, unlike West Germany, has no U.S. weapons on its territory. But the Chinese government fears that wide-ranging U.S.-Soviet accords might lead to a "denuclearized" Europe that would leave the Soviet Union with a dangerous superiority in conventional forces.

The proposal on medium-range missiles being considered in Geneva would eliminate all 270 Soviet triple-warhead SS-20 missiles targeted on Europe and all 316 U.S. single-warhead Pershing-2 and cruise missiles based there.

Vogel Backs Soviet Offer

Hans-Jochen Vogel, the West German opposition leader, called on the government Sunday to accept the Soviet offer to scrap short-range nuclear missiles, and he urged a harder look at Warsaw Pact superiority in conventional forces.

Mr. Vogel, the parliamentary floor leader and chairman-designate of the Social Democratic Party, said he did not understand those Christian Democrats who oppose the Soviet offer on the ground that the West would lose leverage in its efforts to reduce conventional Soviet forces.

"Naturally the East has a numerical superiority in conventional forces," Mr. Vogel said. But he asserted that both the manpower and the quality of arms and equipment in the Warsaw Pact forces had been exaggerated.

Dalida, 54, Singer In France, Is Dead

PARIS — Dalida, the Egyptian-born French entertainer whose songs achieved worldwide fame in the 1950s and 1960s, was found dead Sunday night at her Paris home, hospital officials said.

Doctors were called to the 54-year-old singer's apartment in the Montmartre quarter early Sunday evening, they said. The cause of death was not disclosed.

Dalida was born in Cairo in 1933 as Yolande Gigliotti, the daughter of a violinist at the Cairo Opera. She recorded about 800 songs in French and other languages, and sold more than 85 million records.

NAKASONE: Talks 'Fruitful'

(Continued from Page 1)

did not expect the tariffs to be removed before June at least.

Aides said that Mr. Nakasone had gone to Washington hoping to persuade Mr. Reagan to remove the tariffs immediately.

The tariffs were imposed because of Japan's alleged failure to enforce an agreement with the United States to limit the sale of semiconductors — the memory microchips used in computers — to other countries at below cost.

Mr. Nakasone, as part of his negotiations in Washington, announced that Japan had taken steps to lower short-term interest rates, which should stimulate its economy and perhaps enable the United States, with its huge trade deficit, to sell more goods there.

He also promised to make more than \$20 billion in loans to developing countries and said that the recipients did not have to buy their goods from Japan.

Leaders of the ruling Liberal Democratic Party expressed doubt Sunday that Mr. Nakasone could keep the promises he made in Washington, United Press International reported from Tokyo.

(The leading economic daily, Nihon Keizai Shimbun, reported that Raizo Matsuno, a ranking Liberal Democratic Party official, had said that "we've been burdened with heavy baggage." Masumi Ezaki, another party official, was reported as saying that "if the prime minister cannot live up to the pledges he made to the United States, he will be unable to take charge of his administration.")

[Opposition leaders threatened a no-confidence vote in the Diet, or parliament, if Mr. Nakasone tried to push through unpopular economic measures.]

In a move that could hit Japan hard, the House of Representatives approved a trade bill during Mr. Nakasone's visit that would bar the U.S. government from buying goods from countries that restricted their government's purchases of U.S. goods.

But Mr. Reagan, indicating he would veto any such bill, said on radio that "I will not sign bills that close down markets and shut off extended job opportunities."



Prime Minister Yasuhiro Nakasone, leaving Washington after the trade talks.

French Official in Beijing

BEIJING — Foreign Minister Jean-Bernard Raimond of France arrived here Sunday for meetings with Chinese leaders. He is expected to try to revive flagging trade links between France and China.

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Herald Tribune

Published With The New York Times and The Washington Post

Blunders Plus Crimes

Suddenly, after five months of maverick and study, someone has admitted criminal guilt for arming the Nicaraguan rebels at a time when Congress prohibited it. Col. Channell, a flourishing fund-raiser for conservative causes, has confessed to misusing a tax-exempt organization as a conduit for arms and has identified Oliver North, formerly of the National Security Council staff, as a fellow conspirator. It has been obvious for some time that the Iran-contra scandal involved political offenses hatched in the White House. Now Mr. Walsh's bold case also points to conventional crimes.

The political offenses were profound. President Reagan condoned, perhaps also directed, the paying of ransom to Iran for hostages in Lebanon. That broke his political word and shattered public trust. He bitterly disagreed with the congressional ban on contra funding, and let White House opposition and secret funding reach intolerable lengths.

Colonel North and Mr. Channell, teaming up to raise millions for the National Endowment for the Preservation of Liberty, the big givers into the Oval Office to receive Mr. Reagan's personal thanks. The colonel has written: "The President obviously knows why he has been meeting with several select people to thank them for their support for Democracy in Central America. The White House said last week that he was thanking them for sponsoring television advertisements."

The laws that banned arming the contras,

and that still prohibit arming Iran, carry no criminal penalties. Now, as Congress prepares hearings to explore the big picture, comes the prosecutor to show that there are not only political offenses but also crimes.

The Channell conspiracy case raises ugly suspicions of other crimes, having less to do with lofty ideology than with grubby money. So successful was the effort to tap big donors that Colonel North's organization could afford to hire David Fischer, a former White House functionary, on a consulting fee of \$25,000 a month, for chores like arranging White House meetings. A Channell company paid a former presidential aide, Lyn Nofziger, \$240,000 in one year for similar influence peddling. When so much cash is collected secretly, there is no telling how many sticky fingers reached for it. The tips and commissions for Middle Eastern arms merchants may make the amounts involved in Central America look insignificant.

Ever since the Iran-contra scandal broke last November, it has been clear that ideologues misused political power. The new charge is that they stole public money while ignoring bylaws for whom the end was more important than the means.

On Tuesday, almost 14 years to the day since the Watergate hearings began in the same room, two select committees of Congress start public hearings into the Iran-contra affair. There will be a sense of déjà vu.

But the Iran-contra affair is not Watergate. It is much more serious than Watergate—not because of who was (or was not) involved but because of what was involved: the formulation and conduct of foreign policy.

—THE NEW YORK TIMES

A Little More Time

On the foreign exchange markets, the dollar keeps sliding. In Tokyo, stock prices are rising much faster than in New York, although Japanese companies' profits this year are likely to be flat. American interest rates are rising. And a trade bill, rather bad one — is moving through Congress. All of those events are connected to each other, and the connections deserve attention.

The rest of the world is growing cautious about pouring more of its money into America. Japanese and European investment has helped enormously to finance the rapid run-up in debt and the boom in consumption that have marked the Reagan years. Apparently the foreign investors have decided not to bankroll America on that scale any longer. Because their demand for dollars is dropping, the exchange rate is also dropping.

If the Japanese are not sending their money to America, where are they sending it? Nowhere, evidently. They seem to be holding it at home, parking a lot of it on the Tokyo stock market even though they know that stocks there are wildly overpriced.

In the past the influx of other countries' savings has made it easier to borrow in America and kept interest rates much lower than they otherwise would have been. As that influx declines, interest rates are pushed up. Several banks raised their prime rate on Friday. But the sharp increase in long-term rates in the past month has another cause: anxiety about inflation. The falling dollar makes imports cost more. The House trade bill aggravates fears of inflation. Protectionism will raise prices, and this bill has seized the attention of investors.

One encouraging development: Tokyo and Washington are now working together on interest rates. Prime Minister Yasuhiro Nakasone has said he would reduce rates in Japan. Chairman Paul Volcker of the Federal Reserve Board announced a slight tightening. The effect will be to encourage the Japanese to send money to America.

That offers welcome relief to America: a little more time to escape from its present unhealthy dependence on foreign lending. That means cutting down borrowing. The need for a tax increase is getting urgent.

—THE WASHINGTON POST

Lease Them to Pakistan

Count the Pakistanis among the many victims of the war in Afghanistan. Pakistan's help for the Afghan rebels has brought it heroin trafficking, guns galore, millions of refugees — and now two air raids a day by Afghan planes. Pakistanis need help with air defense. They have the necessary fighter aircraft. What they lack is surveillance aircraft, and only special action by Congress can provide them. The Reagan administration wants to oblige, and quickly, but important policy hurdles and some tangled legal and money issues have to be overcome. The best way to proceed — and even it leaves problems — is to lease, not sell, the radar planes. The Pakistanis need the aircraft to spot air attacks in time, and to guide their interceptors. The option in Washington is that the E-2C Hawkeye would provide the necessary capability. Pakistani defense officials want the more sophisticated E-3A Sentry, also known as AWACS. The fact that AWACS planes cost twice as much as the Hawkeye draws other Pakistani officials toward the less sophisticated aircraft.

That leaves the issue of whether to lease or sell. Selling would take longer — perhaps two years — and cost more. Leasing would be preferable in another respect: It would

not give Islamabad a permanent capability. The Indians do not want sophisticated American equipment to go to Pakistan, for fear it might be used against them. Leasing, because it would be temporary and could be specifically to the war in Afghanistan, would help alleviate concerns in New Delhi.

The leased planes would be piloted by Americans. While that might put them at risk, the planes would generally stay well away from danger areas. Leasing also might give Washington some leverage over Pakistan's developing nuclear capability.

A timely response to the Pakistani request demands quick action. That means additional funds. It also requires legislation to exempt the secretary of defense from certifying that the aircraft are not essential for U.S. military needs. Such obstacles must look small to Pakistan. On the front line of support for the Afghan opposition forces, it has given and suffered much. Now, as it takes badly needed steps toward democracy, a rising popular sentiment that the government is unable to defend the country is particularly worrisome. Pakistan deserves U.S. help. Leasing it Hawkeyes makes sense. Can Congress rise to the challenge?

—THE NEW YORK TIMES

Still Held in Vietnam

Three years ago the Communist government of Vietnam promised to release to the United States all the Vietnamese still incarcerated in "re-education camps" as a result of service in the South Vietnamese regime associated with America. Not one of these unfortunate people has been released and allowed to leave the country with dependents under the amnesty pledged at that time.

These several thousand Vietnamese are the senior people left from a larger group caught up after the fall of Saigon in 1975. They were not accused of committing war crimes in the usual sense. They had simply held official positions in civilian and military branches under the old order. They are political prisoners, and they have endured an unimaginable ordeal. Says Khuc Minh Tho, the leader of a support group of their kin in the United States: "We do not think that belonging to a vanquished regime is a crime. But even if our relatives have committed 'crimes' under the new government's law, we think 10 years of imprisonment is enough punishment for those who have sinned."

Soon after Phan Van Dong, then prime minister, promised to free the prisoners, re-

ports were heard of Hanoi's provocative demand that the United States put a political leash on the prospective new arrivals to keep them from somehow acting against Vietnam. But it is hard to imagine that these people could, even if they would, add any discernible weight to the political scales — scales on which the Vietnamese presence in the United States rests very lightly in any event. More recently, Hanoi simply has refused to address the question of the prisoners, and it stopped permitting the emigration even of nonprisoners in January 1986.

In December 1986, Hanoi started a process of leadership renewal and policy review whose significance in matters like this one remains to be demonstrated. If there is any inclination to signal that things are changing, the authorities should consider that nothing would come through to Americans more clearly — along with a resolution of the issue of Americans missing in action during the war, and an end to the occupation of Cambodia — than the prompt release of political prisoners. Hanoi's current policy stands as a glaring example of Vietnamese bad faith.

—THE WASHINGTON POST

More Lethal Than Hundreds of Chernobyls

WASHINGTON — Richard Nixon and Henry Kissinger celebrated the first anniversary of the Chernobyl disaster by unveiling a new nuclear nightmare in a column in the Los Angeles Times. Their mischief-making purpose was to throw another monkey wrench into the prospects for a summit meeting that could lead to an agreement on intermediate-range missiles in Europe. They would rather ruin a new global photo opportunity than see themselves out of the picture.

By L.F. Stone

The scientific estimates would dramatize a wholly new, inexpensive and peaceful form of deterrence against nuclear first strikes.

shorter-range nuclear weapons were removed from Europe, "the entire Soviet nuclear arsenal of 19,000 weapons can, if the Soviet Union chooses, be aimed at Western Europe from the Soviet Union a few hundred miles away." It could do so with little fear of American retaliation because the "credibility of U.S. strategic threat is eroding."

But even if the United States accepted with equanimity the destruction of its 300,000 troops and its forward bases in Western Europe,

and did not respond either with ICBMs or with its nuclear submarine forces lying in easy range of Russia, there is another fearsome deterrent to such a Soviet first strike: It would be a nuclear holocaust. The entire poisonous fallout would be the equivalent of hundreds — even more probably thousands — of Chernobyl disasters, even if the

weather. The first strike that Mr. Nixon and Mr. Kissinger seem to fear would be suicide for the Russians. Even an attack one-tenth that size might cripple it for generations to come.

The other set of numbers might deal with the costs to America and its allies in Europe and Asia if it could launch a nuclear first strike against the Soviet Union so devastating that Soviet deterrent forces, whether stationary or mobile, in silos, on submarines or on bombers, would be instantaneously eliminated. What would be the radioactive and environmental consequences on Western allies, on China and Japan — indeed, on the United States itself? If Chernobyl's relatively picaresque mishap could endanger milk supplies on the U.S. Pacific coast, what would a torrential rain of fallout from an American first strike on the Soviet Union do to America?

To see the consequences of "successful" nuclear first strikes spelled out by the experts at various levels of megatonnage and weather conditions would dramatize a wholly new, inexpensive and peaceful form of deterrence against nuclear first strikes. Let us mark the first anniversary of Chernobyl — and garner its lesson — by getting these numbers.

The writer is a veteran Washington correspondent. This was adapted for The New York Times from an article in the coming issue of the Nation magazine.

Irangate: These Hearings Should Be Nonpartisan

By Daniel K. Inouye

The writer, a Democrat from Hawaii, is chairman of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

WASHINGTON — The sights and sounds will be familiar: the Senate Caucus Room overflowing with people and overheating with television floodlights, and questions about what the president knew and when; what laws were bent; broken; ignored by zealots for whom the end was more important than the means.

On Tuesday, almost 14 years to the day since the Watergate hearings began in the same room, two select committees of Congress start public hearings into the Iran-contra affair. There will be a sense of déjà vu.

But the Iran-contra affair is not Watergate. It is much more serious than Watergate — not because of who was (or was not) involved but because of what was involved: the formulation and conduct of foreign policy.

Watergate was about a botched burglary, a campaign of dirty tricks and an attempted cover-up of those miserable deeds. It was a political scandal of major proportions, but it was solely that: a domestic political scandal.

In contrast, the Iran-contra affair is an international event that has consequences that go beyond American shores. It involves the constitutional relationship between the executive and legislative branches in the shaping of foreign policy, the credibility of that policy, relations with other countries, the actions of the intelligence service and some of America's most closely held national security secrets.

A political operation that spins out of control may lead to electoral abuse. A runaway foreign policy may lead to international mistrust, broken relations and heightened tensions. Because of the profound issues in question, we in Congress are compelled to investigate the episode. For precisely the same reason, we are compelled to ensure that the investigation is conducted in an atmosphere free of partisanship and theatrics. The nation would be ill-served by a congressional panel wittingly weakening a president for presumed political benefit.

In the last quarter century we have seen how foreign perception of weakness in the Oval Office contributed to crises for three presidents.

After the Bay of Pigs invasion in 1961, the Soviet Union placed nuclear weapons in Cuba, touching off the 1962 Cuban missile crisis. In 1973, at the height of Watergate and only five days after the "Saturday night massacre," a threat of unilateral Soviet intervention in the Middle East led to a military alert of conventional and nu-

clear American forces. And within eight days of the disclosure of American hostages in Iran in 1979, the Soviet Union invaded Afghanistan.

We are obligated to investigate the conduct of the highest government officers, and determined to let the facts lead us where they will. But we need not, and will not, perform this task in a way that suggests to our adversaries that America is a nation divided.

We have succeeded so far in avoiding this impression. I believe, because of the lessons learned during the Watergate investigation. The Senate committee that investigated Watergate, on which I served, had the same mandate as do today's select committees: to seek the facts about the events in question and propose legislation to prevent a repetition. But the structure of our Watergate committee staff encouraged partisanship. There were majority (Democratic) and minority (Republican) lawyers, there were majority and minority investigators, majority and minority secretaries. Even the committee's budget was divided into Democratic and Republican portions.

After the investigation concluded, Fred D. Thompson, the committee's able minority counsel, wrote that loyalty to the Republican minority was "one all-important criterion" for hiring his staff. "We're going to try our best to have bipartisan investigation, but if it comes down to the question of 'us' and 'them,' I don't want to worry about who is 'us' and who is 'them.'"

My one condition for assuming the role of chairman of the Senate committee was that there would be no majority and minority staffs, but a unified staff whose members report to the committee as a whole and not to the Democrats or Republicans. Our chief counsel, Arthur L. Liman, regards all members of the committee as his clients, and under his direction our staff members sit cheek by jowl, unconcerned whether their neighbor is one of "us" or one of "them."

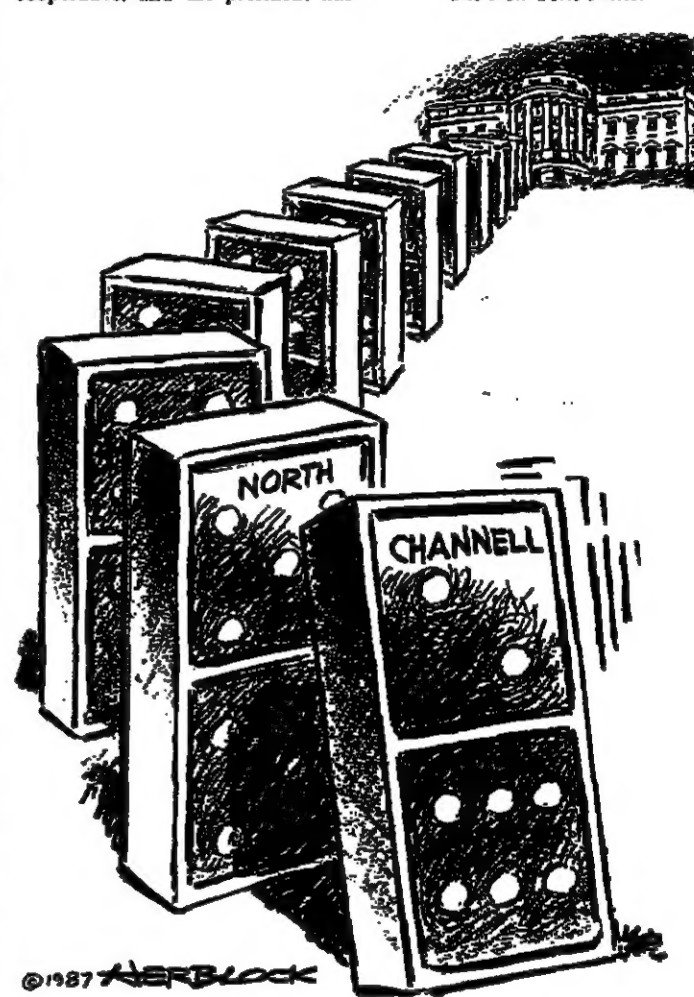
The structure of the staff would be meaningless if the members of the committee were determined to make this investigation a partisan matter. Happily, this has not happened, nor do I expect it to.

Senator Warren B. Rudman, Republican of New Hampshire, is the vice chairman and is empowered to make decisions in my absence. We

shared his personal diaries with us. The decision to hold joint public hearings with our counterparts in the House, the House Select Committee, will enable us to tell the Iran-contra story fully and concisely. Nearly 17 months elapsed from the date the Senate created the Watergate committee until the committee's report was published. We hope to accomplish our work in about half that time. The Watergate hearings dragged on for more than eight months. Because we insisted on concluding most of our investigation before beginning public hearings, our hearings should take about one-third as long.

At the start of the Watergate hearings, Chairman Sam Ervin reminded his audience that "the purpose of these hearings is not prosecutorial or judicial, but rather investigative and informative." Our purpose is the same.

The New York Times



Indonesia: Into a Period of Political Uncertainty

By Michael Leifer

SINGAPORE — The result of last month's parliamentary elections in Indonesia was hardly surprising. The vote recorded for the government's party, Golkar, exceeded 72 percent. That may be interpreted as a vote for political continuity. The campaigning, however, indicated a growing desire for political change.

A novel feature of the elections was the display of popular enthusiasm for the Indonesian Democratic Party, the PDI, at rallies in Jakarta and other cities. The PDI is an amalgam of secular nationalist parties. They include the Indonesian Nationalist Party, identified with the late President Sukarno, and two Christian parties.

In the previous three parliamentary elections, the United Development Party, a combination of Moslem parties, had attracted much greater popular interest as the more credible vehicle of protest.

In numerical terms, Indonesia is the world's biggest Moslem country. More than 85 percent of its 170 million people described themselves as Moslem in the last census. But many remain deeply influenced by a Hindu, Buddhist and animist past. Successive governments in Jakarta, especially the

present administration of President Suharto, have firmly resisted pressure to make Indonesia an Islamic state.

One factor accounting for the greater popular interest in the PDI has been the acceptance by all political parties of the state philosophy, Pancasila, as the sole ideology. The central principle of Pancasila is religious tolerance. By accepting it, parties undertook not to campaign on religious themes or to use a particularly religious banner, such as Islam.

As a result, the Moslem Scholars organization, a component of the UDP with a substantial membership, contracted out of electoral politics, releasing its supporters to make an electoral choice on other than religious grounds. This development, which worked to the PDI's advantage, has been welcomed by the government. Fearful of institutionalized Islam becoming entrenched as the principal opposition to Golkar.

Less welcome to the government was the PDI's ability to attract big crowds to its rallies by symbolic identification with President Sukarno, whose fiery nationalism led Indonesia

into armed confrontation with its neighbors, Malaysia and Singapore, in the early 1960s, and set it on a downhill slide into economic chaos. The attraction for younger urban dwellers of the romantic style of the late president, who had been a discredited figure, was disturbing. This display of nostalgia for a flamboyant leader beyond the direct experience of new voters indicates dissatisfaction with the style of the Sukarno government.

The PDI rallies were significant also for the vigorous airing of grievances over management of the economy and corruption in high places. Indonesia, which relies heavily on oil, natural gas and other commodities, has suffered in the past few years from falling international demand and prices for many of its main exports.

The rallies attracted younger members of the middle class as well as the poor. They attracted the children of the beneficiaries of development, who are frustrated by its arrested momentum and by uneven distribution of diminishing economic rewards.

It is true that the PDI has raised its national vote to only 12 percent, from 8 percent in the 1982 elections. Its emergence in the political heartland of Jakarta as an alternative vehicle of protest does not constitute an electoral watershed. These elections have not changed anything of political substance. They were a well staged, managed piece of political theater in which the security forces, while keeping in the background, played an effective moderating role.

Nonetheless, the display of interest in the PDI, together with the open articulation of critical issues, means that the government cannot assume that the election result is an overwhelming endorsement of its record. The process of development has required widening educational opportunity to produce skills necessary for modernization to succeed. The generation spawned by this process is now coming of political age without any corresponding sign that the govern-

ment is fully aware of the significance of the social change it has unleashed.

Indonesia is moving into a period of political uncertainty as President Suharto prepares to start another five-year term of office next March at the age of 66. He does so in the absence of any institutionalized mechanism for presidential succession. And political uncertainty coincides with continuing economic difficulties expressed in rising urban unemployment.

Unlike the Sukarno regime, which indulged in assertive nationalism, the Suharto government has stressed the sober priority of developmental achievement. A younger generation of urban Indonesians will increasingly judge his administration by that criterion and may incline toward Sukarno's style to register their point.

The writer, on leave from the London School of Economics, is a visiting professor of political science at the National University of Singapore. He contributed this column to the International Herald Tribune.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Titanic Inquiry

NEW YORK — Senator William Alden Smith is still engaged in private inquiries connected with the Titanic disaster. He announced [on May 3] that passenger Daniel Buckley has given evidence that a fireman told him that the Titanic did not strike an iceberg, but went down because her boilers exploded while the vessel was being pushed to make a record.

LONDON — Mrs. Hugh R. Road, whose husband was lost in the Titanic, has called from Halifax stating that she had viewed all the remains on the Mackay-Bennett steamer, but her husband was not among them. It was only by chance that she did not leave with her husband on the Titanic. She was formerly Mrs. Stoifer. When her first husband was killed in an automobile accident, the shock was so great that her hair went white in one night.

Buthelezi Gives Botha An Option

By Jim Hoagland

PARIS — While South Africa's whites noisily wind down their national election campaign, Chief Mangosuthu Buthelezi has been quietly gliding through salons and government offices in Europe in search of support in the other struggle for power under way in the Beloved Country. It is a struggle to determine who will unite and lead the fragmented black majority into a post-apartheid era, and on what terms. Financial and diplomatic resources from abroad, which Chief Buthelezi sought last week in Britain and France, could help shape the unpredictable outcome.

The results of Wednesday's whites-only elections, on the other hand, are the safest bet around. Despite three years of bloodshed, international ostracism and stunning miscalculation, the fearful white minority is poised to extend the mandate of P.W. Botha's government in this vote.

Since the entrenchment of apartheid in 1948, elections have not been times of significant change. They are times when the country's deep divisions are put on display, intensely debated and then reflectively confirmed in a vote for the National Party.

These are elections that are endured rather than fought. Once they are out of the way, work can resume on trying to find solutions for the country's vast problems. Signs will emerge whether Mr. Botha will now seek more reform, more repression or — most likely — a holding pattern of more of both.

Chief Buthelezi thinks that Mr. Botha's margin of victory will be reduced by defections to candidates who want a faster and cleaner break with apartheid. "At no time have the whites been as prepared for change as they are now. They may send Botha the message that his reforms aren't good enough," he is striking about the proud, at times prickly Zulu chieftain.

What is striking about the proud, at times prickly Zulu chieftain is his nonchalance in talking about these elections and their aftermath. Fifteen years ago, when I first met him in South Africa, Chief Buthelezi and other black leaders felt and voiced the sting of exclusion from such elections. Today their certainty that blacks will soon hold power seems to have blunted that pain.

Chief Buthelezi does not claim to have the answer to all of South Africa's problems. In a candid conversation, he acknowledged that black-on-black violence could continue even under a black government. His tribal base in Natal, his denunciations of violence and his open courtship of Western democracies for support to counterbalance Soviet arming of South African black guerrillas have brought sharp attacks on him by the young radicals of the township.

But it is precisely because he is trying to occupy a middle ground between the "scorched earth tactics" of the white government on one side and the young radicals on the other that he has become such a potent symbol in the confused politics of apartheid.

If the whites refuse to deal with him, they will clearly not deal with any credible black leader. As long as they continue to slam the door in Chief Buthelezi's face, Botha & Co. are saying to the black majority and to the world that they are not serious about seeking workable solutions for South Africa's racial problems.

They are saying in effect that they will not make the modest sacrifices that Chief Buthelezi would ask of them, much less the more painful ones that other black leaders demand. Dealing with him would be a sign from the white leaders that they understand the dangers their stubborn advocacy of white supremacy presents for themselves and for the international community.

It is possible that time has already run out on the Buthelezi option. Many young blacks argue that only agreements reached by the government with the African National Congress would stave off a clear from such arguments is the increasing radicalization of South Africa's works among the middle class advocated by Chief Buthelezi.

Mr. Botha could halt this erosion and change the political landscape dramatically with one announcement after his government is reconfirmed in office. He should immediately announce acceptance of Chief Buthelezi's demand that imprisoned ANC leader Nelson Mandela be freed unconditionally as Chief Buthelezi's price for cooperating with a presidential commission to devise amendments to the detested 1983 constitution.

This act would show the black majority that moderate leaders who want to maintain Western influence in South Africa can deliver. It would also show that Mr. Botha is finally serious about negotiating for the survival of Africa's only white tribe.

The Washington Post

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EUROBONDS

Japanese Will Be Cautious In U.S. Auction Approach

By JONATHAN ENGEL
International Herald Tribune

PARIS — The old adage "once bitten, twice shy" may not have sprung from market parables like the typical "sell in May and go away," but it nonetheless crystallizes the crucial attitude of Japanese investors toward the U.S. Treasury's auction of this week of \$29 billion in securities.

In fact, they've been bitten more than once. Lured by relatively high interest rates and what proved to be temporary attempts to stabilize the dollar, large Japanese insurance companies and the trust banks that manage huge pension funds bought at least one-third of the 10- and 30-year bonds offered in quarterly auctions last year and again in February.

Then they watched as the dollar's 42 percent plunge against the yen from September 1985 decimated their earnings in comparison to similar yen investments.

Since February's auction alone, the dollar has dropped 9 percent against the yen, to 140 yen from 153.50. Bond prices themselves, undercut by the falling dollar, have slumped as much as 11 1/2 points, or \$115 for every \$1,000 face amount.

Now, not even the hefty 5 percent yield advantage on U.S. government securities over similar Japanese issues and the opportunity to buy a block of bonds at a fixed price are likely to tempt these investors into bidding aggressively at the auctions, which start Tuesday with sales of three-year notes.

"We don't want the same thing to happen," a weak dollar eroding portfolios — said Masami Asakura, the chief representative in New York of Taiyo Mutual Life Insurance Co., the eighth largest in Japan.

Meanwhile, the uncertainty over the dollar and the likely increase in yields after the auctions clouded prospects in the Eurobond market, where several holidays last week also limited activity. In three currency sectors where bankers reported solid demand — yen, sterling and Australian dollars — the heavy supply of new issues sent prices slumping to unprofitable levels for most underwriters.

JAPANESE insurance company executives like Mr. Asakura, who have been diversifying away from Treasuries, acknowledge that on a long-term basis, the combination of the yield advantage and the liquidity in the U.S. Treasury market is unmatched elsewhere. They also believe the dollar is finally nearing its lows against the yen.

But, they argue, bonds that appear attractive before the auctions will likely be more alluring afterward. Bond prices could drop further to push the 30-year yield to 8.75 percent from around 8.60 percent on Friday, while the dollar could slip to 135 yen from 140.

"The 500-basis-point differential is still very attractive to us" when comparing U.S. to Japanese bonds, Mr. Asakura said. "But we just closed our fiscal year in end-March and all Japanese insurance companies had to write off huge currency losses."

One Japanese newspaper, he noted, estimated these total currency losses last year at around \$15 billion. "That is why we are a little bit reluctant to start our investment in the dollar again."

Investors and analysts alike remain cautious on the U.S. currency, despite the tough pronouncements last week from Paul A. Volcker, the chairman of the Federal Reserve Board, that the dollar had "absolutely and fundamentally" declined enough. Mr. Volcker said that the Fed had nudged some interest rates higher to support the dollar and to counter market fears of renewed inflation as the weak currency pushes up import costs. But some analysts doubt that the Fed will quickly raise its key 5.5 percent discount rate, for fear of inducing a recession.

Also in the Washington spotlight last week, Prime Minister Yasuhiro Nakasone of Japan pledged that the Japanese central bank would push short-term interest rates lower. In theory such a move could boost the attractiveness of the dollar against the yen and help Japan expand its economy to import more U.S. goods, thereby cutting the huge U.S. trade deficit that has devalued the dollar.

But what analysts immediately suspected was later confirmed by the Bank of Japan. It was not going to cut its benchmark 2.5 percent discount rate, but merely push less influential money market rates lower. Michael Rosenberg, an economist at Merrill Lynch Capital Markets, noted that these rates have been artificially elevated by speculative borrowing in Tokyo's surging domestic securities market.

The dollar, after a brief rise to nearly 141 yen Thursday on these announcements, slipped back to around 140 yen on Friday in New York. The benchmark 30-year U.S. Treasury bond had also gained Thursday, but on Friday lost 1 1/2 points to close at 88 1/2 and yield 8.59 percent.

That came as no surprise to Keiji Tsuda of Nissei Bot Asset. See EURO BONDS, Page 9

Bonds that appear attractive before the auctions will likely be more alluring afterward.

Korea, Taiwan Are in Hurry to Mature

Master Exporters Pressed to Spur Domestic Growth

By Patrick L. Smith
International Herald Tribune

SEOUL — South Korea and Taiwan, East Asia's fastest-growing economies, are decisively changing their development strategies, in an effort to remove the threat of damaging trade friction and fundamentally alter the sources of their future growth.

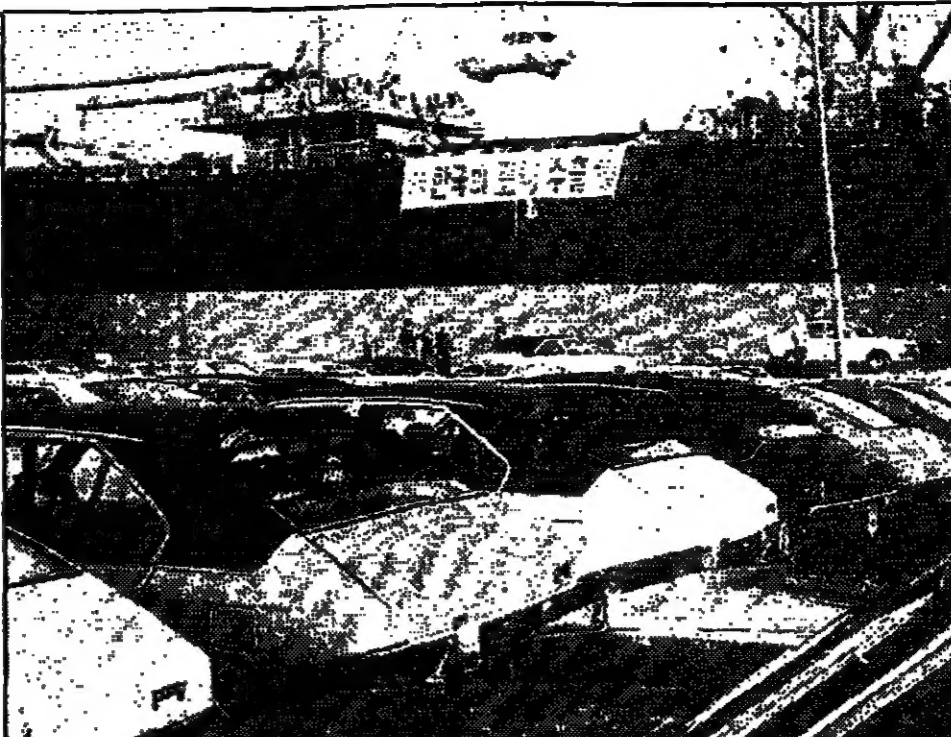
The two countries, which are emerging as the most powerful economic forces in the region after Japan, are for the first time devising programs to reduce their long-established dependence on exports and to stimulate domestic consumption.

In effect, the two are discarding the export-led development strategy that has been almost an article of faith in the Third World for the past quarter of a century.

Depending on how aggressively these historic policy changes are implemented, foreign analysts say, the two nations could successfully meet fair-trade demands by the United States and other major importers, thereby avoiding the chronic antagonism that Japan suffers.

The United States is their biggest market, and the two nations together accounted for \$21 billion of the record \$166 billion trade deficit reported by the United States last year.

"We have to be impressed by what we've seen," said a Western diplomat in Seoul. "Whether they can break the mold among major exporters will be determined by how well these new ideas are put into practice."



Hyundai Motor's Ponies, a symbol of South Korea's traditional push for exports.

Malcolm Baldrige, the U.S. commerce secretary, echoed this view after three days of trade talks in Seoul last week. This attitude is in sharp contrast to the skepticism with which U.S. officials have greeted similar economic initiatives announced by Tokyo.

Japan has been less convincing in its efforts to solve the same problems of economic maturity. But because South Korea and Taiwan are attempting structural economic reforms much earlier in their development cycles, their capacity to absorb a greater proportion of their own output may

limit the near-term impact of measures now being adopted. For example, more than two decades of extreme export dependence have left wage levels artificially low and domestic markets underdeveloped.

"We can't rely on exports to keep ourselves going," said Su Han-ming, senior vice president and chief economist at the International Commercial Bank of China, in Taipei. "At the same time, it's impossible for us to digest all this production."

Last year, Taiwan exported half of its national output and South Korea almost 40 percent.

By comparison, Japan exported only about 20 percent. Equally, both Taipei and Seoul are unlikely to risk substantial economic damage by exposing highly protected local industries to the rigors of competition at too rapid a pace.

Among other demands, the U.S. has urged both countries to raise the value of their currencies in relation to the dollar. Yet because of shifts in global exchange rates and other factors, exports from both countries have not slowed so far this year. For example, Taiwan's exports were better than the previous

See EXPORTERS, Page 9

U.S. Economy Grew in April, Purchasers Say

United Press International

NEW YORK — Purchasing managers, citing an increase in production and new orders and a trend toward higher employment, said the U.S. economy expanded in April after "healthy growth" in the first quarter.

The National Association of Purchasing Management, in its monthly Report on Business, said Friday that its composite index increased slightly in April to 54.2 percent, from 53.9 percent in March.

A reading below 50 percent generally indicates that the economy is contracting. A reading above 50 percent indicates expansion.

"Past experience indicates that if this average were to continue for the remainder of 1987, it would be consistent with real GNP growth of about 3 percent," said Robert J. Breitz, chairman of the association's survey committee. GNP, or gross national product, measures a country's total output of goods and services.

"The economy entered the second quarter with a modest improvement over the healthy growth registered in the first quarter," Mr. Breitz said.

"The mild slowing in the rate of increase in new orders suggests continuing growth in the second quarter."

The monthly survey found that new orders continued to expand in April but at a slower pace than in March. Forty percent of the purchasers responding said new orders were better than the previous

month, down slightly from 41 percent in March.

The 35 percent of the purchasers reporting better production in April is the highest since March 1986, when the total was also 35 percent.

For the second consecutive month, purchasers said their inventories were reduced in April. Twenty-one percent reported lower inventories as opposed to 17 percent reporting an increase.

April marked the eighth consecutive month that more purchasers indicated paying higher rather than lower prices, the survey said. The 39 percent reporting higher prices in April was the most since April 1984, when 55 percent reported higher prices.

The 22 percent of the purchasers reporting higher employment in April is the best response since May 1984.

The report is based on data compiled from responses from purchasing managers in 250 industrial companies in all 50 states.

Party Woes May Restrict New Minister In Brazil

By Bradley Graham

RIO DE JANEIRO — It looked like a comic opera, but few people here were laughing as Brazil's political leaders quarreled in public over the selection of a new finance minister.

The choice of Luiz Carlos Bresser Pereira, a professor, businessman and public administrator, pleased domestic industrialists, economists and politicians as well as foreign bankers, all of whom see him as someone capable of bringing direction to Brazil's drifting economic program.

But the political wrangling that led to the decision further damaged Brazil's government.

President José Sarney was publicly humiliated by his inability to place his first choice in the post.

The leaders of the left-center Brazilian Democratic Movement Party, the dominant government party, blocked the president's hand and have been accused in newspaper editorials of eroding presidential authority and grabbing for power.

The episode reinforced the image of an administration beset by infighting, indecision and ineptitude while it tries to maintain Brazil's ability to service its foreign debt and avoid great inflation and deep recession.

The government's bungling of the ministerial appointment has triggered new calls for presidential elections in 1988.

Mr. Sarney, who assumed office in 1985, would prefer to put off a vote until late 1990. But with Brazil facing an economic crisis, a growing number of politicians on both the left and the right are saying the country needs a stronger leader and one chosen directly by the people.

Economic recovery would fortify Mr. Sarney's position after the collapse of last year's Cruzado Plan, a drastic anti-inflationary package. After taking office on Wednesday, Mr. Bresser Pereira outlined a program of reducing growth and tighter public spending to restore economic order.

But the question on the minds of many people here is whether the new minister will have room to maneuver, given firm opposition among Democratic Movement populists to slowing the economy by much or making concessions to international banks. In line with Democratic Movement policy, Mr. Bresser Pereira has pledged to maintain real wages and to aim for economic growth of a modest 3 percent this year.

"He's a good man in a difficult environment," said one U.S. banker here.

On Friday, the new minister announced. See BRAZIL, Page 13

Financial Sector Is a Growing Target in U.S.-Japan Disputes

By John Mechan

NEW YORK — Politics is not the kind of subject Toshio Mori wants to easily. The chairman of Nikko Securities International Inc. sees his professional mission in life much like the chief executive of any brokerage: Understand the markets, find new clients, make some money. Politics is not officially part of his brief.

Yet, as head of the U.S. subsidiary of one of Japan's "Big Four" securities houses, Mr. Mori's survey of "hot" topics inevitably caught up in the trade quarrel between Washington and Tokyo. And the "recent political environment" that he talks about has meant that Japanese financial institutions increasingly find themselves the target of the same protectionist fervor that once was aimed solely at semiconductors and Toyota cars.

"Everyone wants us to open up our markets. But Japan is a country of consensus. It takes time," said Mr. Mori. "We are making progress. But in American eyes, it's still too slow."

As Prime Minister Yasuhiro Nakasone arrived in Washington last week to negotiate a trade pact, the trade dispute, high on the Reagan administration's agenda was Japan's willingness to permit greater access to its financial markets. Despite the emergence of Tokyo to rival New York and London as a financial center, Japan's liberalization efforts have proceeded at a snail's pace, with foreign concerns limited to mostly secondary roles.

Correcting the inequities has been a long-time goal of banks and securities firms in Europe and the United States. But in recent weeks the issue has received considerable

attention from a hostile Congress that is bent on wringing concessions from Tokyo.

Included in the trade bill adopted by the House last week is a rider that would severely restrict Japanese firms' participation in the U.S. government securities market. Additional limits are being considered for the Senate's trade bill, according to Congressional sources.

"Up until now, people have tended to minimize the long-term problems we face in the financial sector," said Representative Bruce A. Morrison, a Democrat of Connecticut and a member of the House Banking Committee. "We've been placing so much emphasis on agriculture and manufacturing because these have a quicker payoff on the trade figures."

A Wall Street executive put it more bluntly: "For years it was a lot easier for Congressmen and voters to understand cars rather than futures and options. Now they're finally waking up to the importance of trade in financial services."

While the decision to open up this new front is bound to add to the complexities of the trade dispute between Washington and Tokyo, it underscores the concern about the growing influence of the Japanese in U.S. capital markets.

No other country has moved as aggressively as Japan in building up its presence on the U.S. financial scene, moves that are an economic consequence of Japan's widening trade surplus and the huge cash reserves it generates.

Despite a drop in purchases as the dollar has declined, the Japanese remain the largest foreign participants in the U.S. Treasury bond market. At the end of February, Japanese investors held almost \$89 billion of U.S. See FINANCE, Page 13

At OECD Talks, the Pressure Will Be on Bonn

By Axel Krause

PARIS — West Germany will find itself in the hot seat when the annual OECD meeting of finance and trade ministers opens in Paris on May 12, because of a continuing refusal to stimulate its economy.

According to officials involved in preparations for the two-day gathering, some member governments of the Organization for Economic Cooperation and Development will be pressing for an immediate boost to West Germany's economy.

The renewed pressures will come mainly from the United States, Canada, France and smaller West European members of the 24-nation agency. Although senior West German officials in Washington earlier this week again brushed off the pressures, OECD delegates said they were not ruling out a reversal between now and early June.

The broader purpose of the initiative, officials said, is to promote economic growth in Western Europe and in the OECD area generally, which encompasses North America, Europe and Asia. The initiative comes against a somber background of sluggish growth, high interest rates, mounting Third World debts and rising unemployment.

More specifically, officials said, the allies will be seeking a firm commitment from Bonn to lower interest rates, bring forward a tax cut scheduled for next Jan. 1, and scale back on subsidies, notably in agriculture.

"The Japanese are already making some effort to stimulate their economy," Beryl W. Sprinkel, chairman of President Ronald Reagan's Council of Economic Advisors, said in an interview in Paris. He cited a plan recently announced in Tokyo to increase government spending and an interest rate reduction announced in Washington on Thursday.

"But we have seen no evidence on the German side, and they do have room to stimulate demand, without new inflation, in such areas as tax reform," he said. "Stronger growth in Western Europe, particularly in Germany, seems essential, because reducing the U.S. budget deficit, which we are accomplishing, is simply not enough for the requirements of world growth."

Mr. Sprinkel acknowledged that the surprising 4.3 percent growth of the U.S. economy in the first three months of 1987 would not be repeated in the current quarter. The sharp increase, the most rapid growth in almost three years, came almost entirely from rebuilding depleted business inventories, particularly in the automobile sector, analysts said.

"We could be surprised, but we do not expect the inventory building to continue, and we also anticipate weakness in consumer spending" during the next several months, Mr. Sprinkel said.

But he declined to make predictions for the second quarter, emphasizing that the administration was sticking with its 1987 forecast of 3.2 percent growth in the fourth quarter over the same period in 1986.



Beryl W. Sprinkel

summit gatherings would also be pressing for Bonn's support for a pledge to eliminate farm surpluses and stockpiles by reducing subsidies, a move that France and Britain are expected to endorse fully.

"If they could cut the farm subsidies, they could cut interest rates," said a senior U.S. diplomat. "But German farmers are too powerful to permit that to happen, so we anticipate resistance from Bonn on many fronts regarding stimulative action."

Arguing against stimulative action, Martin Bangemann, West Germany's minister of economics, said Tuesday in Washington: "If you are asking us to pursue an inflationary policy, that we won't do."

That argument, however, is cut-

ting less ice with OECD governments as the meetings approach.

"We understand the traditional German argument about touching off a new round of inflation, but look at their economy, they have stable prices," Mr. Sprinkel said. "There is room to stimulate demand."

Hanging over policy makers attending the meetings is a gloomy scenario for the world economy prepared by the OECD secretariat.

Reflecting similar downward revisions made recently by private economists that assume no changes in policy, the secretariat has shaved a quarter of a point off the previous estimate of 3 percent growth in 1987 for U.S. gross national product, the total output of goods and services.

The secretariat's internal document also has cut half a point off its estimate for Western Europe's growth rate, previously projected at 2.5 percent.

"The picture will remain gloomy, unless some key governments act, notably Germany, so we expect a lively ministerial meeting," an OECD delegate said.

Last December, the OECD projected 3 percent growth in West Germany's GNP in 1987.

But the secretariat has lowered that projection as well, although it remains slightly higher than West Germany's key economic institutes. Two of the five institutes recently reported that GNP would grow by merely 1 percent this year, while the three others predicted 2 percent growth.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes				Money Rates			
	May 1	April 30	Change		May 1	April 30	Change
DJ Inds.	2268.40	2256.37	+2.01	Discount rate	5 1/2	5 1/2	0
DJ Inds.	262.10	261.23	+0.87	Federal funds rate	7 1/2	7 1/2	0
DJ Trans.	102.47	102.47	+0.00	Prime rate	8	8	0
S & P 500	263.27	262.97	+0.30	Japan			
S & P 500	268.03	267.51	+0.52	Discount	2 1/2	2 1/2	0
S & P Ind	234.30	234.84	-0.54	Call money	9 7/16	9 7/16	0
NVSE Cx	162.64	159.57	+3.07	2-month interbank	3 1/16	3 1/16	0
Britain				West Germany			
FTSE 100	2468.50	2465.10	+3.40	Lombard	5.00	5.00	0
FTSE 100	1426.90	1426.90	+0.00	Call money	4.25	4.25	0
Japan				3-month interbank	3.50	3.50	0
Nikkei 225	24400.00	24400.00	+0.00	Bank base rate	9 1/2	9 1/2	0
West Germany				Call money	9 1/2	9 1/2	0
Commerzbank	1785.20	1802.70	-17.50	3-month interbank	8 1/2	9 1/16	-1/16
Hess-Kluge	2465.27	2465.27	+0.00	Dollar	May 1	April 30	Change
Hess-Kluge	2465.27	2465.27	+0.00	30-day T-bill	100.30	100.10	+0.20
World				London 3-month	4.66 1/2	4.62 1/2	+0.40
MSCI	462.00	462.00	+0.00				

World Index From Morgan Stanley Capital Int'l.

Currency Rates

Cross Rates				May 1			
	May 1	April 30	Change		May 1	April 30	Change
Amsterdam	1.6178	1.6178	+0.00	U.S. dollar	140.00	140.00	0
Brussels	1.6178	1.6178	+0.00	Japanese yen	140.00	140.00	0
Frankfurt	1.6178	1.6178	+0.00	Swiss franc	140.00	140.00	0
London (p)	1.6178	1.6178	+0.00	West German mark	140.00	140.00	0
Nylon	1.6178	1.6178	+0.00	Italian lira	140.00	140.00	0
New York (c)	1.6178	1.6178	+0.00	Spanish peseta	140.00	140.00	0
Paris	1.6178	1.6178	+0.00	Portuguese escudo	140.00	140.00	0
Tokyo	1.6178	1.6178	+0.00	Belgian franc	140.00	140.00	0
Zurich	1.6178	1.6178	+0.00	Dutch guilder	140.00	140.00	0
1 ECU	1.6178	1.6178	+0.00	Austrian schilling	140.00	140.00	0
1 SDR	1.6178	1.6178	+0.00	Swedish krona	140.00	140.00	0

Closures in London and Zurich. Rates in other European centers. New York rates at 4 p.m. (c) Commercial bank. (d) Amsterdam. (e) London. (f) Frankfurt. (g) Paris. (h) Tokyo. (i) Zurich. (j) 100 units of local currency per 1 U.S. dollar. (k) 100 units of local currency per 1 U.S. dollar. (l) 100 units of local currency per 1 U.S. dollar. (m) 100 units of local currency per 1 U.S. dollar. (n) 100 units of local currency per 1 U.S. dollar. (o) 100 units of local currency per 1 U.S. dollar. (p) 100 units of local currency per 1 U.S. dollar. (q) 100 units of local currency per 1 U.S. dollar. (r) 100 units of local currency per 1 U.S. dollar. (s) 100 units of local currency per 1 U.S. dollar. (t) 100 units of local currency per 1 U.S. dollar. (u) 100 units of local currency per 1 U.S. dollar. (v) 100 units of local currency per 1 U.S. dollar. (w) 100 units of local currency per 1 U.S. dollar. (x) 100 units of local currency per 1 U.S. dollar. 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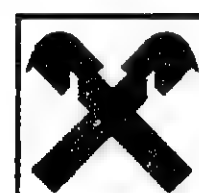
OTC Consolidated trading for week ended Friday:

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Lastly, the Chairman announced that L'ORÉAL's Board of Directors had decided to propose to the Annual Shareholders Meeting, to be held on Friday, June 19th, 1987, a net dividend payment of FF 33, up 10 % over last year, and the issue of one free share or certificat d'investissement for, respectively, every five shares or five certificats d'investissement held.

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Director of an H
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SPORTS

SPORTS BRIEFS

Mansell Wins San Marino Grand Prix Easily

IMOLA, Italy (UPI) — Briton Nigel Mansell drove his Williams-Honda to a textbook victory in Sunday's San Marino Grand Prix to take the lead in the Formula One world drivers' championship.

Mansell, who finished sixth in the season-opening Brazilian Grand Prix, took command on the second lap of the 183.4-mile (295.2-kilometer) race.

Mansell, whose last victory came Sept. 21, 1986, at the Portuguese Grand Prix, clocked a winning time of 1 hour, 31 minutes and 24.076 seconds for an average speed of 120.429 mph. He built up his lead with a controlled drive on a circuit noted for the heavy fuel consumption demands it puts on cars.

Pole-sitter Ayrton Senna, in a Lotus-Honda, was second in 1:31:51.621. Michele Alboreto brought local favorite Ferrari third in 1:32:03.220.

Mansell now has 10 points, one more than McLaren driver and defending World Champion Alain Prost, whose alternator failed on the 15th lap as he stood second.

"Both the alternator, and before that the engine, were giving me trouble," Prost said. "But it could have been much worse if (Williams driver) Nelson Piquet had been racing. Piquet sat it out Sunday because doctors ruled him unfit to compete after a 186-mph crash during Friday's practice."

4 Tied for Las Vegas Golf Lead at 11-Under

LAS VEGAS (UPI) — Hal Sutton, Kenny Perry, Ken Brown and Dan Pohl shared the lead at 11-under-par 205 after Saturday's third round of the Las Vegas Invitational golf tournament.

Starting the day two strokes behind Larry Rinker, Friday's leader, Sutton shot an up-and-down 72 (four birdies, a bogey and a double-bogey). Pohl's 65 included six birdies and two bogeys (3.65 meters) or less. Brown, a Briton, and Perry both shot 70s. One shot off the pace were David Frost, Curtis Strange and Andrew Magee. After rounds of 65 and 66, Rinker ballooned to 78/209.

Solution to Thursday's Puzzle

BOAS ABLEAM VALE
LIRE CULPA EMIL
ALEXANDERS ROLL
SETTLE VICTORIA
TREBLE ELGIN
OAT HAPIN TRICOT
CLEMSON RESALES
ASCAP SAIG TOT
SOMRAD ANGER
ISLET RESET
ROSEMARY FIANCE
ABET MARGUERITE
FORT ETIAM ADAM
FETIA SOCLE DELS

Quotable

• Larry Bowa, manager of the 6-19 San Diego Padres, explaining why he wore a heavy warmup jacket while pitching batting practice on a hot evening before a recent home game: "I was trying to have a stroke. It didn't work."
• Cleveland second baseman Tony Bernazard, after the Indians started the season 9-15: "I'd much rather go through this now than in September when we're contending. If we did that then, everybody would call us chokers. This way, when we come back after our bad start, it will make a wonderful story." (AP)

PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



'Sonics Surprise Rockets; Hawks Eliminate Pacers

HOUSTON — Dale Ellis scored 34 points, the last on a three-point jump shot with 14 seconds left in

Canadiens, Flyers in NHL Semis

NEW YORK — The Montreal Canadiens and Philadelphia Flyers survived second-round scares and advanced to the semifinals of the National Hockey League playoffs.

In decisive seventh games Saturday night, Montreal beat Quebec, 5-3, and Philadelphia ripped the New York Islanders, 5-1. The Canadiens rallied from a 2-0 deficit in the Adams Division final against the Nordiques; the Flyers won Game 7 after squandering a 3-1 lead in the Patrick Division final.

The last semifinal participant was to be determined Sunday, when Toronto faced the Red Wings in Game 7 of the Norris Division final (the winner will meet the Smythe Division-champion Edmonton Oilers).

In Philadelphia, Brian Propp and Brad Marsh scored short-handed goals 44 seconds apart in the first period to help the Flyers prevent New York from becoming the fourth team in NHL history to come back from a 3-1 playoff deficit. In Montreal, Ryan Walter scored two goals, including one short-handed, to trigger a five-goal second period that propelled Montreal.



Dominique Wilkins, right, who scored 30 points, got a hug from teammate Randy Whitman after Atlanta won, 101-97.

overtime Saturday, to give the Seattle SuperSonics a 111-106 victory over the Houston Rockets and a 1-0 lead in their Western Conference semifinal of the National Basketball Association playoffs.

On Friday night, Dominique Wilkins made certain that the Indiana Pacers' season ended and Charles Barkley helped prolong teammate Julius Erving's career by at least one more game.

The shot by Ellis, who sparked Seattle's 3-1 upset of the Dallas Mavericks in the first playoff round, eliminated the Rockets' home-court advantage. The second game of the series is to be played Tuesday night in Houston.

Tom Chambers scored 9 of his 24 points in overtime to help Seattle build a 106-100 lead. Alkeem Ojajoki, who led the Rockets with 28 points, sank consecutive shots to make it 106-104 before Ellis ensured victory and Chambers got the final points on a breakaway dunk off an in-bounds play.

"I had a hot hand," Ellis said, adding that "for a team that wasn't supposed to be here, we've got a lot of confidence. We're going to have to continue to play this way if we're going to win. We're playing on guts."

Hawks 101, Pacers 97: In Indianapolis, Wilkins scored 30 points, 14 in the fourth period, as Atlanta advanced to an Eastern Conference semifinal series against the Detroit Pistons by winning this best-of-five series, three games to one.

After being dominated by Pacer rookie Chuck Person most of the game, Wilkins won a crucial one-on-one battle after the Pacers had

scored 22 points as his team rallied from a 17-point deficit in the second quarter. Barkley got 12 of his points in the fourth quarter.

Warriors 98, Jazz 94: In Oakland, California, Purvis Short, who scored 32 points, rallied Golden State from a 15-point deficit in the third period to a 2-2 tie with Utah in their series.

That put the Warriors one game away from becoming the second team in NBA history, and the first in 31 years, to come back from a 0-2 deficit to win a best-of-five playoff.

Erving, who has announced that he will retire at the end of the 76ers' season, scored 22 points as his team rallied from a 17-point deficit in the second quarter. Barkley got 12 of his points in the fourth quarter.

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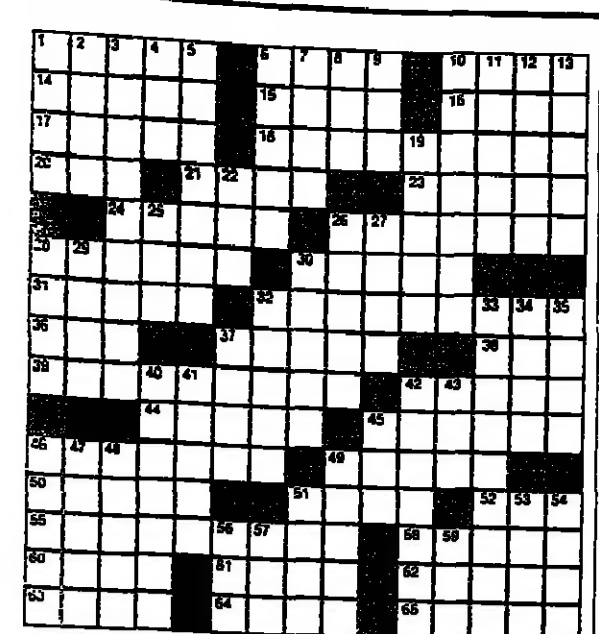
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ACROSS

- 1 Bugged down
- 2 Sire, to a dam
- 3 Lights-out signal
- 4 Character in "The Sea Gull"
- 5 Sen. Cranston
- 6 "I cannot tell"
- 7 U.K. laborer
- 8 He was deprived of the Triple Crown by Amberoid
- 9 Gunpowder or Twankay
- 10 Seattle — Triple Crown winner
- 11 Hostess Perle
- 12 Deserves
- 13 He deprived Spectacular Bid of the Triple Crown
- 14 Highest point
- 15 Eschew
- 16 Jockey
- 17 Winner of 100th Kentucky Derby
- 18 Gerundial ending
- 19 Garçon's handout
- 20 Gibbon
- 21 He deprived 3 Down of the Triple Crown
- 22 Instrument for Nero
- 23 Subordinate to
- 24 Medicinal plants
- 25 Basketball's inflatable lining
- 26 Almond-shaped bean
- 27 Best
- 28 Bias and Hodges
- 29 See 64 Across
- 30 Derby winner: 1954
- 31 Likeness
- 32 Equal, in France
- 33 Middle of Q.E.D.
- 34 Classical
- 35 Village, of yore
- 36 With 32 Across and 45 Down, Derby winner: 1982
- 37 Put into use
- 38 DOWN
- 39 Derby flavoring
- 40 "Dies —"
- 41 Derby winner: 1972
- 42 P.O. purchase
- 43 Derby winner: 1878
- 44 6 Fashions
- 45 "There ought to be —"
- 46 Greek cross
- 47 Queen before Sophia
- 48 Son
- 49 Assumes
- 50 Heeling, at sea
- 51 Caravel of 1492
- 52 Actor George
- 53 Insect stage
- 54 Actor Barker
- 55 Soul, in Soissons
- 56 Tale
- 57 Caen's river
- 58 Nursery item
- 59 The odds
- 60 Way chaser
- 61 Pole for tossing
- 62 Derby winner: 1902
- 63 Actor Andrews
- 64 Aphrodite's
- 65 Relinquish
- 66 He trained Spectacular Bid
- 67 "I witch of"
- 68 Derby winner: 1944
- 69 Autograph
- 70 See 64 Across
- 71 Presaged
- 72 Hasten
- 73 Rose essence
- 74 Append
- 75 No-see-um
- 76 City of Hungary
- 77 "We forget"
- 78 Mundy or Foster
- 79 Cash stash, for short
- 80 Boxer Baer

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DENNIS THE MENACE

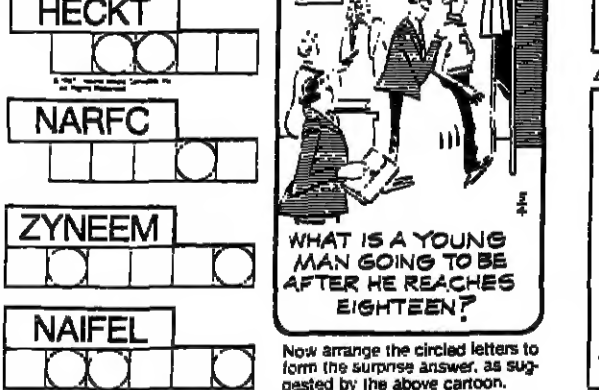


"SURE, OL' RUFF CARS CATS, BUT HE'S NOT DUMB ENOUGH TO CHASE ANY."

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four jumbles, one letter to each square, to form four ordinary words.



Print answer here: _____

Answers (tomorrow): Thursday's Jumbles: SQUAB, ABBOT, ENDURE, BRUTAL. Answer: What you might call a guy who never plays what he owes — A "DEBT" BEAT.

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	21	10	15	28	10
Amsterdam	19	10	15	28	10
Antwerp	19	10	15	28	10
Berlin	19	10	15	28	10
Bombay	28	10	15	28	10
Buenos Aires	28	10	15	28	10
Calcutta	28	10	15	28	10
Canton	28	10	15	28	10
Cebu	28	10	15	28	10
Colon	28	10	15	28	10
Hankow	28	10	15	28	10
Hong Kong	28	10	15	28	10
Kobe	28	10	15	28	10
London	19	10	15	28	10
Lyons	19	10	15	28	10
Manila	28	10	15	28	10
Medan	28	10	15	28	10
Osaka	28	10	15	28	10
Paris	19	10	15	28	10
Perth	19	10	15	28	10
Rangoon	28	10	15	28	10
San Francisco	19	10	15	28	10
Shanghai	28	10	15	28	10
Singapore	28	10	15	28	10
Sourabaya	28	10	15	28	10
Tientsin	28	10	15	28	10
Yokohama	28	10	15	28	10
MIDDLE EAST					
Amman	21	10	15	28	10
Bahia	21	10	15	28	10
Bombay	28	10	15	28	10
Buenos Aires	28	10	15	28	10
Calcutta	28	10	15	28	10
Canton	28	10	15	28	10
Cebu	28	10	15	28	10
Colon	28	10	15	28	10
Hankow	28	10	15	28	10
Hong Kong	28	10	15	28	10
Kobe	28	10	15	28	10
London	19	10	15	28	10
Lyons	19	10	15	28	10
Manila	28	10	15	28	10
Medan	28	10	15	28	10
Osaka	28	10	15	28	10
Paris	19	10	15	28	10
Perth	19	10	15	28	10
Rangoon	28	10	15	28	10
San Francisco	19	10	15	28	10
Shanghai	28	10	15	28	10
Singapore	28	10	15	28	10
Sourabaya	28	10	15	28	10
Tientsin	28	10	15	28	10
Yokohama	28	10	15	28	10
OCEANIA					
Auckland	16	6	1	21	11
Sydney	16	6	1	21	11
Wellington	16	6	1	21	11

MONDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Cloudy. Temp. 5-14. LONDON: Cloudy. Temp. 5-14. MADRID: Cloudy. Temp. 5-14. PARIS: Cloudy. Temp. 5-14. ROME: Cloudy. Temp. 5-14. ST. LOUIS: Cloudy. Temp. 5-14. WASHINGTON: Cloudy. Temp. 5-14. NEW YORK: Cloudy. Temp. 5-14. PHOENIX: Cloudy. Temp. 5-14. SAN FRANCISCO: Cloudy. Temp. 5-14. SEATTLE: Cloudy. Temp. 5-14. SINGAPORE: Cloudy. Temp. 5-14. SYDNEY: Cloudy. Temp. 5-14. TOKYO: Cloudy. Temp. 5-14.

WORLD STOCKS IN REVIEW / Via Agence France-Presse

Amsterdam

Investors on the Amsterdam stock exchange were extremely cautious last week amid the continuing decline of the dollar and U.S.-Japanese trade friction.

After a slow start on Monday, when the ANP-CBS General Index fell from 284 on April 24 to 278.4, trading firmed on Tuesday, taking the index to 280.2.

The bleak message contained in the annual report of the Dutch central bank and an announcement by Philips NV of a worldwide issue of 20 million shares slightly dampened enthusiasm on Wednesday.

Trading remained subdued the rest of the week, with the market shut Thursday for a local holiday and because of Friday's May Day holiday in other European countries.

Turnover totaled 3.858 billion guilders, up from 3.511 billion the previous week.

Frankfurt

The weakness of the dollar during four days of trading depressed sentiment on the Frankfurt stock exchange where values fell an average of 3 percent.

Some analysts also attributed the mood to the financial difficulties of the iron and steel group Klöckner-Werke, after a decision by its subsidiary Maschuetto to file for bankruptcy.

The Commerzbank Index fell 18.2 points to 1,785.2, with transactions over a holiday-shortened week totaling 9.668 billion Deutsche marks, down from 11.730 billion DM last week.

Gains were minimal. In the automobile section, BMW daimler DM to reach 566, Daimler advanced 2.50 DM to 990.50 but Volkswagen fell 3.5 DM to 344.50.

Among electronics companies, only AEG advanced, moving up 2 DM to 341.50. Siemens fell 2.20 DM to 700.30.

Banks, with the exception of Dresdner, which lost 4.5 DM, were well supported. Commerzbank rose 5 DM and Deutsche Bank 5.70.

Hong Kong

Hong Kong stocks fell heavily early in the week on fears that the local currency would be revalued against the U.S. dollar, but confident buying saw much of the lost ground made up by the close of trading Friday.

The Hang Seng Index closed at 2,685.37, down a

SPORTS

Alysheba, Tough in the Stretch, Wins Kentucky Derby

By Andrew Beyer
Washington Post Service

LOUISVILLE, Kentucky — In a Kentucky Derby filled with misfortune, Alysheba came close to suffering the worst disaster of all. As he turned into the stretch on Saturday, the horse in front of him, Bet Twice, swerved into his path, and Alysheba's legs buckled.

"I thought I was gone," jockey Chris McCarron said. But minutes later Alysheba was being draped with roses in the winner's circle at Churchill Downs. The colt had regained his footing — "how he recovered is beyond me," McCarron said — and drove to a three-quarter-length victory over Bet Twice in the 131st running of the country's most famous horse race. Alysheba was third and Cryptoclearance fourth.

Demons Begone, the 2-to-1 favorite, didn't finish. He bled profusely through the nostrils in the early going and never got into contention. On the backstretch, jockey Pat Day pulled him up and took him out of the race and the horse left the track in an ambulance. Capote, the 2-year-old champion of last season, was eased too.

Alysheba is unlikely to be remembered as a great Derby winner; his time of 2:03-2/5 was not particularly good on a lightning-fast track. But the colt put into the record books the names of two men who were overdue for a place in Derby history: McCarron and trainer Jack Van Berg.

Van Berg has won nearly 5,000 races, more

than any trainer in the history of the sport, but his greatest goal kept eluding him. It was the first Derby victory in six tries for Van Berg, a 50-year-old hall of fame trainer, failed in his only Derby bid in 1960.

McCarron has been one of the country's preeminent riders for years, but had always missed here. His memories of this triumph will always be somewhat scary, though. When he was ushered to the pressbox and was immediately asked "How do you feel?" he answered, "Trembling."

The troubles in this Derby started as soon as the gate opened. Almost all the horses breaking from inside posts were caught in heavy traffic. Masterful Advocate, the well-regarded California speedster, broke a bit tardily and was squeezed out of contention. Alysheba was squeezed, too, and McCarron took his horse back from the congestion and angled him to the rail — almost the same scenario that Bill Shoemaker followed with Ferdinand to win the Derby last year.

Two Wayne Lukas trainees, On the Line and Capote, sprinted clear from the 17-horse field, setting a fairly quick pace, a quarter mile in 22-4/5 seconds and a half mile in :46-2/5. Their other stablemate, War, recovered from early trouble and moved up on the rail and, for a moment, Team Lukas was running one-two-three. But the trainer's visions of glory were short-lived.

All the leaders were starting to weaken. Capote tired badly and was eased up at the

finish. Bet Twice made the first serious challenge at the front-runners and momentarily looked as if he were going to take command. But McCarron and Alysheba weren't far behind.

Alysheba had been able to save ground around the first turn when McCarron went past the struggling favorite, "Demons Begone" appeared to be laboring, so I went up inside him," the jockey said. "My horse was picking it up very nicely on the backstretch, and I decided that to put him on the outside. There was a lot of track and I didn't want to get stopped."

With clear sailing, Alysheba outmoved everybody in the field as he went into the final turn. When he went past Leo Castelli, who had made a brief move into contention, he had only Bet Twice in front of him.

Those in the crowd of 130,532 who knew Alysheba's history might have expected him to do something drastically wrong at this point. The colt had the reputation of a mistake-prone "sucker horse" coming into this Derby. He had only one official victory to his credit before Saturday, amid a string of near-misses. He also finished first in the Blue Grass Stakes at Keeneland nine days ago, but was disqualified for bumping a rival in the stretch.

But it wasn't Alysheba who made a mistake at the crucial moment. It was Bet Twice who came close to committing what would have been the most dramatic foul in U.S. racing history.

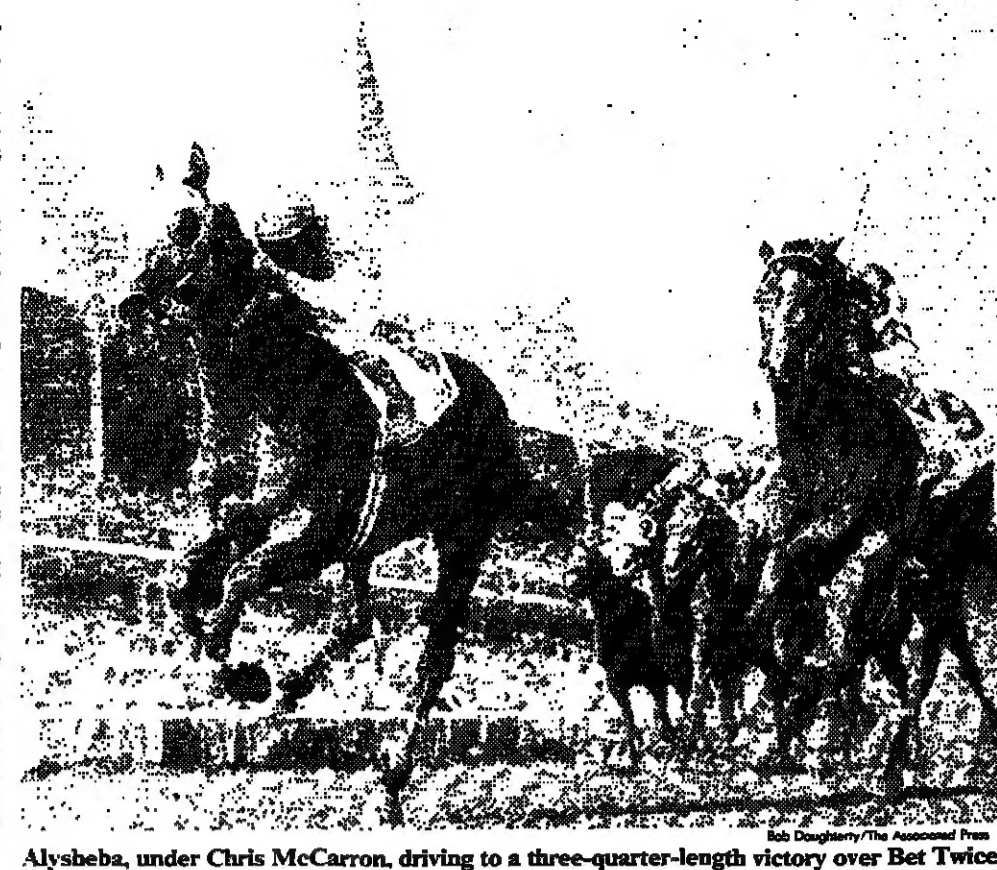
"I hit my horse left-handed and he kind of came out a little bit," said Bet Twice's jockey, Craig Perret in something of an understatement. Bet Twice swerved to the right and into Alysheba's path. Alysheba apparently clipped his heels and stumbled, his head dropping sharply.

"He almost went to his knees," McCarron said. But the horse somehow kept his footing and, with virtually no hesitation, resumed the chase. Bet Twice swerved again in mid-stretch, causing more interference, but Alysheba was again undeterred. An 8-to-1 shot and sixth choice, he continued resolutely to the wire to earn \$618,600 for owners Dorothy and Pamela Scharbauer.

McCarron, riding in his seventh Derby, made a memorable comeback Saturday. He sustained a severely broken left leg in a five-horse spill Oct. 17, 1986, at Santa Anita. He returned March 12 and has an eight-ounce stainless steel plate in his leg.

One of the reasons that Alysheba was able to keep running so gamely, and to hold off such stretch-runners as fourth-place Cryptoclearance and fifth-place Templar Hill, was that nobody was running very fast in the stretch.

It took the field 26-3/5 seconds to cover the final quarter of a mile — a performance that is an indictment of this generation of 3-year-olds. But, years from now, people will not remember that quibble about the quality of the field when they watch the films of the near-calamity that provided one of the most electrifying moments in Derby history.



Alysheba, under Chris McCarron, driving to a three-quarter-length victory over Bet Twice.



Manager Bobby Valentine, arguing with umpire Vic Vito, followed his pitcher from Saturday's game. Hough, left, had disputed calls on his pitches; the Blue Jays won, 9-8, with a two-out run in the ninth.

Royals Shut Out 7th Time, Indians Winning by 2-0 on Homer

United Press International

KANSAS CITY, Missouri — Mark Gubicza allowed just six hits and two runs over 8 1/2 innings Friday night, but that was too much for the Kansas City Royals' anemic offense to make up for as Mel Hall hit a two-run home run to give the Cleveland Indians a 2-0 victory.

Phil Niekro and Rich Yett combined to shut the Royals with their sixth shutout in their last 11 games. The Royals have been shut out seven times this year. They were not shut out for the seventh time last season until Aug. 8 and now are trying to make do with their shutout, George Brett, on the disabled list, and their best power hitter, Steve Balboni, in an 0-for-30 slump.

Blue Jays 3, Rangers 2: In Toronto, Jesse Barfield hit two home runs, the second, on a 3-2 pitch leading off the 10th inning, ending a six-game Texas winning streak.

FRIDAY BASEBALL

White Sox 5, Orioles 1: In Baltimore, Ivan Calderon, Tim Lincecum and Greg Walker hit six-inning homers for Chicago.

Twins 7, Yankees 4: In Minneapolis, Randy Bush highlighted a five-run fourth inning with a two-run single to help beat New York.

Red Sox 12, Angels 3: In Anaheim, California, Wade Boggs drove in five runs with two homers and Dwight Evans hit a three-run shot for Boston.

Brewers 10, Mariners 8: In Seattle, Jim Gantner went 4-for-4, hitting his second homer this year, and drove in five runs for Milwaukee. Athletics 2, Tigers 1: In Oakland, California, Terry Steinbach's one-out, bases-loaded single in the 13th beat Detroit.

Mets 7, Expos 6: In the National League, in New York, Tim Lincecum's

first homer this season, with one out in the ninth, beat Montreal. Teammate Keith Hernandez went 0-for-3, ending a 13-game hitting streak.

Cubs 7, Padres 5: In Chicago, Andre Dawson homered during a three-run eighth against San Diego.

Astros 12, Braves 3: In Atlanta, Nolan Ryan hit a three-run home run for Houston while holding the Braves to three hits over 6 1/2 innings. Ryan struck out four en route to his 25th victory in the majors.

Reds 8, Phillies 5: In Philadelphia, Eric Davis hit a grand slam and a bases-empty homer for Cincinnati.

Pirates 4, Giants 2: In Pittsburgh, Mike Diaz and Sid Bream each hit his fifth home run this year to support Rick Renteria's four-hit pitching against San Francisco.

Cardinals 5, Dodgers 4: In St. Louis, Steve Loe singled home Jack Clark from second base with two out in the 10th to beat Los Angeles.

Raines Rejoins Expos in Grand Form: Slam Beats Mets in 10th

Compiled by Our Staff From Dispatches

NEW YORK — Tim Lincecum, playing in his first game after recovering from a 10th-inning grand slam home run Saturday that rallied the Expos to an 11-7 victory over the New York Mets.

Raines, who signed a three-year contract as a free agent for \$4.8 million Friday night, hit the grand slam for his fourth hit in five at-bats.

The National League's leading hitter last year, with a .334 average, he tripled on the first pitch thrown to him this season, in the first inning, then singled twice, scored three times, walked and stole a base.

"I never expected this," he said. "I thought I might be rusty, but I was comfortable at the plate, and that was important. I wasn't over-matched."

"I was rusty on defense, however, so I guess I'll have to go to spring training next year."

The left fielder, who became a

free agent when he rejected an offer by the Expos Jan. 8, said, "Frankly, I'm in the best shape I've been in in a couple of years" because "I dedicated myself to getting ready" by working out at home in Sarasota, Florida. He couldn't renegotiate with the Expos until May 1.

He not only won the score on Saturday, he began a ninth-inning rally with the Expos trailing by 6-4 when he beat out a routine ground ball to shortstop off reliever Gene Walter. The Expos tied the score on Tim Lincecum's single, Andres Gallarraga's RBI infield out and Vance Law's two-out single off Doug Sisk.

The Expos got 20 hits, the most by any team in the majors this season, off six pitchers.

Braves 12, Astros 4: In Atlanta, pinch-hitter Craig Nettles and Dion James each hit a grand slam to help beat Houston.

The last time the Braves got two grand slams in a game was on July 3, 1966, both by pitcher Tony Clon-

SATURDAY BASEBALL

inger, Nettles, 42, is the second-oldest player in major league history to hit a grand slam. Tony Perez having been one day short of his 43d birthday when he hit one for the Cincinnati Reds on May 13, 1985, against the Philadelphia Phillies.

Cubs 7, Padres 3: In Chicago, Ryne Sandberg hit a three-run homer against San Diego and Andre Dawson hit his fifth home run in his last eight games.

Phillies 8, Reds 3: In Philadelphia, Mike Schmidt got three hits, one his 503d homer in the majors, and drove in three runs against Cincinnati.

Pirates 1, Giants 0: In Pittsburgh, R.J. Reynolds drove in Sid Bream from second with a two-out, eighth-inning single to beat San Francisco. Bream had reached base on a two-out error by shortstop Jose Uribe and got to second on

Jim Morrison's single before Reynolds smashed a ground ball that first baseman Willie Clark bobbled. Bream scored as catcher Bob Brenly dropped the throw from Clark. Dodgers 7, Cardinals 6: In St. Louis, Steve Sax doubled in one run, Pedro Guerrero hit a two-run home run and Mike Scioscia then homered, all off reliever Todd Worrell in the eighth, to rally Los Angeles.

Brewers 6, Mariners 4: In the American League, in Seattle, pinch-hitter Rick Manning's bases-loaded sacrifice in a five-run ninth gave Milwaukee its 12th comeback victory this season. Blue Jays 9, Rangers 8: In Toronto, Tony Fernandez doubled in two runs with two out in the ninth to beat Texas and give his team its fifth straight victory.

Athletics 3, Tigers 2: In Oakland, California, Mike Gallego's suicide-squeeze bunt scored Mark McGwire with the bases loaded and one out in

the 13th against Detroit. Relief pitcher Dan Pety picked up the ball but threw wide to first. Gallego was given a sacrifice and Pety was charged with an error.

White Sox 7, Orioles 3: In Baltimore, Carlton Fisk hit a two-run double, and Gary Redus and Ivan Calderon homered as Baltimore lost for the seventh time in eight games. Mike Flanagan became the Orioles' second starter to fall to 0-4; Scott McGregg did so Friday night.

Yankees 6, Twins 4: In Minneapolis, Willie Randolph went 3-for-4 with a home run and three RBIs, while Dave Winfield and Ron Kittle each homered against Minnesota.

Angels 4, Red Sox 2: In Anaheim, California, Mike Witt pitched a four-hitter and Dick Schofield hit a two-run homer against Boston.

Royals 5, Indians 4: In Kansas City, Missouri, Bo Jackson walked with the bases loaded and two out in the eighth to force in the run that beat Cleveland. (UPI/AP)

4 Free Agents Return to Fold

Compiled by Our Staff From Dispatches

NEW YORK — Baseball free agents Tim Lincecum, Ron Guidry, Ben Boone and Rick Dempsey have returned to their 1986 clubs.

Doyle Alexander, who pitched for Atlanta last season, was the only one of the five noted free agents who went past the Jan. 8 signing deadline who did not reach agreement with his old team on Friday, the first day that players and clubs were again permitted to negotiate.

The financial terms to which the four free agents agreed: Guidry, pitcher, New York Yankees; two years for \$1,558,242.

Raines, outfielder, Montreal; three years for \$5 million, including a \$900,000 signing bonus.

Gedman, catcher, Boston; two years for \$1.8 million.

Boone, catcher, California; one year at \$145,549.50 per month, which would amount to \$747,154 for the season.

Gedman and Raines, the defending National League batting champion, joined their teams immediately. Guidry and Boone will ready themselves with affiliates in their clubs' minor-league systems.

Under the collective bargaining agreement, free agents were not allowed to negotiate with their previous employers between Jan. 8 and May 1. The players union has filed a grievance claiming that the owners secretly agreed not to pursue free agents from other teams in an attempt to curb salaries. (NYT/UP)

Swedes Win World Hockey Title

The Associated Press

VIENNA — Sweden won the world ice hockey title here Sunday by beating Canada, 9-0, while the defending champion Soviet Union edged Czechoslovakia by 3-1.

Both Sweden and the Soviets finished the medal round tied for first with one victory and two ties apiece. But the Swedes won the gold medal on goal difference. Sweden scored 14 goals and gave up five in three games, while the Soviet Union tallied four and surrendered three.

Sweden could have lost the title only if Czechoslovakia had won on Sunday — or if the Soviet Union triumphed by at least 10 goals.

The title was the Swedes' first since 1962. Czechoslovakia finished third with three points and

Canada fourth with one. Sweden has won four world titles, the Soviet Union 20, Canada 19 and Czechoslovakia 6.

The tournament seemed to be going Czechoslovakia's way when it held a 1-0 lead with a little more than seven minutes to play. But the Soviets struck for two goals in less than three minutes to win.

The Soviets had to settle for the silver medal and the European championship, which they won earlier in the tournament during a streak of seven straight victories. Finland placed fifth. West Germany sixth, the United States seventh and Switzerland, which was relegated to Group B, last.

After the spectacular victory over the Canadians, Swedish fans wanted the Soviets to win or

tie. But they were silenced at 9:41 of the first period when, with the Soviets short two players, Antonin Staviansky scored on a slapshot.

The Soviet Union's Vladimir Krutov tied the game with his 11th goal of the tournament on a power play midway through the final period, however, and a little more than two minutes later Igor Stelnov's goal gave the Soviets the victory.

Against Canada, the Swedes built a 3-0 first-period lead and never were threatened.

Nine players — Thomas Rundqvist, Mikael Andersson, Anders Eldebrink, Lars-Gunnar Pettersson, Bengt Gustafsson, Hakan Loob, Lars Molin, Tomas Sandstrom and Anders Carlsson — tallied against goalie Bob Froese.

SCOREBOARD

Friday's and Saturday's Major League Line Scores

FRIDAY'S RESULTS

AMERICAN LEAGUE

Toronto 6, Detroit 5: (1) and (2) and (3) and (4) and (5) and (6) and (7) and (8) and (9) and (10) and (11) and (12) and (13) and (14) and (15) and (16) and (17) and (18) and (19) and (20) and (21) and (22) and (23) and (24) and (25) and (26) and (27) and (28) and (29) and (30) and (31) and (32) and (33) and (34) and (35) and (36) and (37) and (38) and (39) and (40) and (41) and (42) and (43) and (44) and (45) and (46) and (47) and (48) and (49) and (50) and (51) and (52) and (53) and (54) and (55) and (56) and (57) and (58) and (59) and (60) and (61) and (62) and (63) and (64) and (65) and (66) and (67) and (68) and (69) and (70) and (71) and (72) and (73) and (74) and (75) and (76) and (77) and (78) and (79) and (80) and (81) and (82) and (83) and (84) and (85) and (86) and (87) and (88) and (89) and (90) and (91) and (92) and (93) and (94) and (95) and (96) and (97) and (98) and (99) and (100) and (101) and (102) and (103) and (104) and (105) and (106) and (107) and (108) and (109) 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